5c per copy

SOCIAL JUSTICE

Father Coughlin's Weekly Review

Produce For Use At a Fair Profit

Volume III No. 16 | Royal Oak, Michigan | April 19, 1937

Expose Story Behind Stock Market Mystery

Thomas Money Bill Aimed to 'Regulate' Dollar Buying Power

Senator Elmer Thomas of Oklahoma, author of the Thomas Amendment to the Farm Relief Act of 1933, under which President Roosevelt fixed the present gold value of the dollar, has again turned his keen mind and expert knowledge of money to constructive legislation. He has introduced a bill to cheapen the dollar to correspond with the rise in the cost of living.

The measure proposes to enact into federal legislation Principle 8 of the 16 principles of social justice, namely:

"I believe that one of the chief duties of this government-owned Central Bank is **to maintain the cost of living on an even keel and arrange for the repayment of dollar debts with equal value dollars.**"

In charge of the Senate Committee on Agriculture and Forestry and highly respected for his ability, Senator Thomas asserts that though the dollar in gold content is worth only 59 cents, its value, in terms of commodities, is 114 cents. His measure proposes **to lower the purchasing power of the dollar to 100 cents, and to stabilize the monetary unit at or near that figure.**

Bill Would Set Up Money Authority

This the Thomas bill would accomplish by a Monetary Authority with complete control over credit rather than by manipulation of the gold content. Although instrumental in fixing the present gold value of the dollar, the Senator has now come to the conclusion that reduction in gold content has been only partly effective and he has the courage to come out and try to correct the situation NOW, while one-third of the country is ill-clad, ill-fed, and ill-housed. He strikes at the root of the trouble with characteristic foresight and vigor.

He states that the manipulation of the gold content of the dollar has lowered its purchasing power from 167 cents in 1933 to 114 cents on March 13, 1937. But there is still a fall of 14 cents to be managed before the monetary unit arrives at what is regarded as "normality."

Stabilization of currency on a gold basis, according to the senator from Oklahoma, cannot be permanently effective because gold, like wheat, is after all a commodity, subject to the laws of supply and demand. Though the "commodity dollar" has been christened a "rubber dollar," Senator Thomas boldly charges that **the gold dollar itself has always been a "rubber dollar."**

Only Two Periods Saw Living Dollar

In this country, the gold dollar has bounced violently about for the last 137 years, reaching its lowest level in terms of commodities in 1865, when it was worth only 60 cents, and reached its highest peak in 1896 at 215 cents!

With a straight black line, representing the ideal of a 100 cent dollar, let another zigzag line above and below show fluctuations of the "gold dollar" in purchasing power from 1800 down to the present day. These two lines would coincide only during two periods—from 1800 to 1810, and from 1922 to 1928.

This last period of stability, says Thomas, was largely due to the genius and daring of Benjamin Strong, governor of

(Continued on Page 14)

SOCIAL JUSTICE Presents

Father Coughlin's page, "The Indicator"	Page 2
Thomas Money Authority Bill	Page 14
Box Scores on the Auto and Coal Strikes	Page 11
"Know Social Justice" Contest	Page 12
Europe Flirting with U. S. for Another Parley	Page 3
Editorials—Woes of Mr. Morgenthau and Others	Page 4
Eyes and Ears Over Washington	Page 3
Congresses Discusses Labor, Court and Money	Page 5
Hilaire Belloc on Social Justice	Page 6
The Week in the World	Page 7
Farm Taxes Up, Farm Income Down	Pages 8-9
We See by the Papers	Page 10
Searchlight on the Money Changers	Page 15
Henry Ford's Ways, Ga., Community Project	Page 16
The People Speak	Page 13

Dumping of U. S. Bonds Is Countered by Stocks

This international money racket has gone about far enough.

SOCIAL JUSTICE is going to start telling the "inside" story of this money racket, whether the public cares enough to get something done about it or not.

Here is a good first chapter!

Day after day, during the last weeks banks have been dumping United States bonds.

Why?

Is it because the bankers regard United States bonds as worthless?

Are the debt bonds of our government no longer profitably sound for investment?

Or is it only because these profiteers can get better results playing the stock market?

The Federal Reserve, we are told, is buying United States bonds to save their market.

WHAT WITH?

Are not Federal Reserve Bank notes issued against bonds in the first place?

This is like a snake eating its own tail!

Is not the issue of more interest-bearing Federal Reserve debt dollars **just the very sort of inflation that the country was warned against** when Fr. Coughlin and His National Union for Social Justice proposed the coinage of debt-free honest United States money?

Also is not this present market manipulation the biggest news story of the day?

Why then must it be left for SOCIAL JUSTICE to be the first—or only—newspaper to say anything about these things?

Foreign Stock Selling Is Mystery of Market

Early in this bond dumping, President Roosevelt warned that **"foreign stockholders would dump American securities"** if American bankers dumped government bonds.

He also said that a lot of stock prices were too high.

The president, it develops, was a good prophet.

Now, as banks continue to dump United States bonds, there is a counter-dumping of good American securities, ostensibly owned by British, French and Dutch holders. The trading is handled through foreign brokers, in the name of foreign stockholders, with negotiations on the American stock market through the reputed "business agents" of the administration.

What Did Stabilization Fund Stabilize?

Other brokers profess to be mystified. Cables between the two continents are kept hot with inquiries as to the **"reason for the reaction."** Both the president and Secretary Morgenthau have denied that any rumor of a contemplated cut in gold from $35 to $29 an ounce can be any basis for the

(Continued on Page 3)

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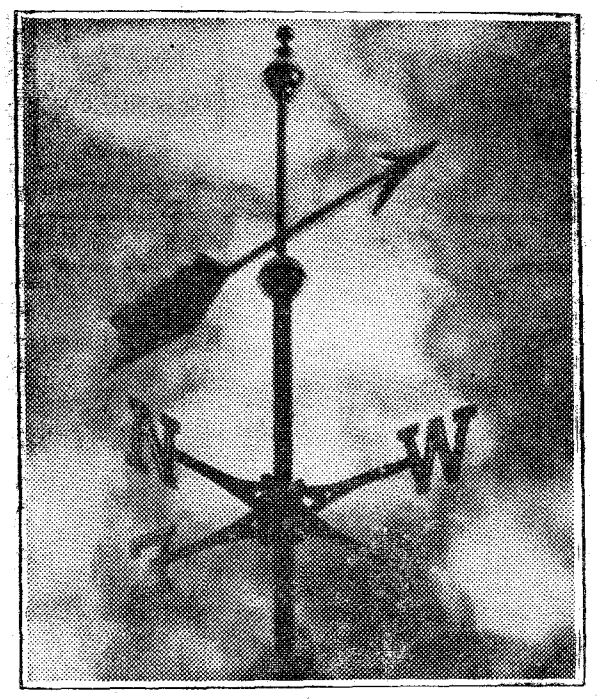

THE INDICATOR

By Father Coughlin

TWO years ago last month it was predicted on our broadcast that United States government bonds were due for a fall in prices. **The prediction has come true**, much to the consternation of the New Deal.

* * *

In the same broadcast it was pointed out that there was a shortage of future commodities, such as wheat, rye, pork, leather, copper, zinc, etc. Those were the days when Mr. Roosevelt was paying a bonus to farmers to burn wheat and plow under cotton. Those were the days when the shortage prediction was hailed as the prophecy of a "crackpot." **The shortage has come.** The price of these commodities has risen almost 50 per cent in some cases during the two years interim. The stringency is so bad that we Americans will be forced to import corn, wheat, beef, pork, butter and eggs to supply our ordinary needs for this year. Wonderful, Mr. Roosevelt! Deific Henry Wallace!

* * *

Sixty-one per cent of all government bonds in existence were held in the vaults of banks until a few weeks ago. The interest on these bonds, in many cases, pay only 1 7/8 per cent. Bankers are smart. They know they can make 10 times that gain by investing their money in commodities. They also know that Mr. Roosevelt's proven inability to balance the budget is creating a frown even on his own smiling countenance. Therefore, the bankers dumped the bonds by bucketfuls on the public market and began buying stocks and commodities.

* * *

The Chase National Bank during the first quarter of 1937 dumped $117,310,000 of bonds. Every other bank did the same thing. There were more sellers than buyers.

* * *

What did the Chase National Bank do with its money obtained from the sale of bonds? It purchased real estate, stocks and industrial securities. This always happens when a nation shows signs of crawling out of the cellar of depression.

* * *

That is only one-half the story. The latter half is more tragic. The United States government obtained $2-billion of taxpayers' money through an Act of Congress, which the president was empowered to use as a Stabilization Fund. **What did Mr. Roosevelt, through Mr. Morgenthau, do with this $2-billion?** First of all, he lost $800-million in the international crap game. Secondly, Morgenthau boasted that he had sustained the French franc several months ago, although it has fallen down several pegs since then. (He should have boasted that he sustained a socialistic government under Monsieur Blum). Third, it is rumored that Mr. Roosevelt, through his English, French and Dutch brokers (acting in the name of the American people) purchased industrial stocks listed on the New York Stock Exchange.

* * *

If this happened, why was it done? Well, here's the tragedy: Last week, when the price of bonds fell and the price of stocks should have risen, America found out that the price of stocks also fell. Huge selling orders initiated at Amsterdam, Holland, were responsible for dumping millions and billions of dollars worth of American stocks on the market. **It appeared as if somebody was retaliating for the dumping of bonds.**

* * *

THE American people were warned that Mr. Roosevelt's friendship with the international bankers would be disastrous. **They voted for him and, as a result, they are responsible for what is happening to American finance.** They were told that he had gone to the empty Federal Reserve Banks and borrowed upwards of $18-billion which they did not have. They were warned that he was contracting with these banks in the name of the people for the repayment of these debts in money that they would earn through the sweat of their brow. Either they were too ignorant to understand what was told to them or else they preferred to laugh it off.

* * *

It is not time for laughing. The cost of living has risen in proportion to the cost of commodities. Taxation, although invisible, is levied against your bread, your butter, your shoes, your rent, your motor car, your gasoline, your soap and your torn overalls. This taxation is collected by the government and handed over to the Federal Reserve Banks **whether you know it or not, whether you believe it or not.**

* * *

Big hearted Mr. American public! He cannot keep his own wife and children in comfort, nevertheless, he is willing to take on the job of keeping the bankers' wives and children in luxury! **Let him laugh that off, as he remembers how he marked his ballot last November!**

* * *

Last week Henry Morgenthau was informed that he owed $100-million to the railroad men of America. He joined the ranks of the welshers and said that the Treasury could not afford to pay its just debt at this time, and gave as a reason that the Treasury had no money in its vaults. Incidentally, he wept a few crocodile tears because the proceeds from the revenue tax were not up to his expectations.

(He forgot to tell you that the expectations were publicized last October when Mr. Roosevelt was picturing prosperity throughout the nation.)

If this is not a sure indication of what will happen to the pennies and nickels and dimes collected from the pay envelopes of the regimented Social Security people, then you are unable to form any conclusions.

* * *

WHEN the Social Security Act was passed amidst the applause of the mesmerized voters of America, it was said that every dime collected from the laborers' pay envelopes would be set aside against the day of payment when the government would hand out the money to the workmen who had lived through their 65th year. Political buncombe! **Dimes collected from your pay envelope are being handed out to the Federal Reserve bankers!**

* * *

The only social security existing in America is international banking security. You are free to keep on believing the political ballyhoo which was handed out to you. In two years you will awaken to the truth of the situation just as you have awakened now to the exploded bond market.

* * *

Did you ever see a boa constrictor eating its own tail? If you haven't, you had better take a look at the Federal Reserve Banks as of today. The Federal Reserve Banks, with their trusty fountain pens in hand, issued $18-billion of money to the United States government. The government in return gave the banks $18-billion worth of bonds. The member banks, such as the Chase National, are dumping these bonds on the market. Now the Federal Reserve Banks, empowered to issue currency dollars against bonds, are working the printing presses over time issuing more currency to buy in its own bonds!

Of course you are not asked to believe that, although it is the truth. Those of you who have brains and intelligence can understand it. The rest will clean their hands by some more applause for the president. That is what is meant by a boa constrictor eating its own tail. Here is hoping that you are not sitting on the end of the tail. Intelligent people have left that perch.

* * *

Elsewhere in this paper there is printed the story that **one-fifth of the 1937 national income goes for taxes**, which is the politicians' vocabulary for "goes to the Federal Reserve bankers." This year our national income will top $60-billion. Twelve-billion will be handed over to the bankers who coin and regulate the value of money. We squawk because we cancelled $12-billion owed to us by European nations, nevertheless, we turn right around and hand over $12-billion **every year** to the international bankers.

If there are depressions, low wages, high prices, under-fed children and broken down wives, it is because there are stupid fathers who have as much right to the use of a ballot as a child has to a Thompson machine gun.

* * *

Before the American people can realize what has happened, they must have a Congressional investigation of their stabilization fund.

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Europe Again Seeking to Lure U. S. Into World Conference

EYES and EARS

By Mark Meechan

EVIDENCE that two of our governmental horses are pulling together is gleaned from Jim Farley's speech at a post office dedication in his home county of Rockland, New York.

Jim says it's all cut and dried that the Supreme Court is to be packed. Says Jim:

"Just before I close, I want to say this about the Supreme Court fuss. We have let the Senate talk all it wants. Then the House will take up the question and there will be considerable talk there. After they have all finished talking, we will call the roll. We have plenty of votes to put this over."

According to the Constitution, Congress was given the power and, with it, the duty to legislate for the nation. The executive was given power and the duty to see that the laws are carrried out.

That is part of the system of checks and balances whereby our forefathers sought to protect individuals (for the masses are just a multiplicity of individuals) against their own government.

The intent of the Constitution is that the legislative and executive branches be independent of each other, balance each other's activities, check each other's power.

Jim Farley, and for that matter, Franklin D. Roosevelt, although they know the intent of the framers of the Constitution, don't give a whoop for the constitutional intent. Congress, at first, was a rubber stamp. It acted only on the executive "must." The president and his boys cowed Congress with his popularity.

Now Congress has been promoted by the Postmaster General. Congress is entitled to partnership with the executive clique in the imperial "we."

* * *

According to Jim Farley, "we" have made up their minds. The debating, the hearings, all the hallowed customs of an independent legislature are now just by-play — m u m m e r y for the masses.

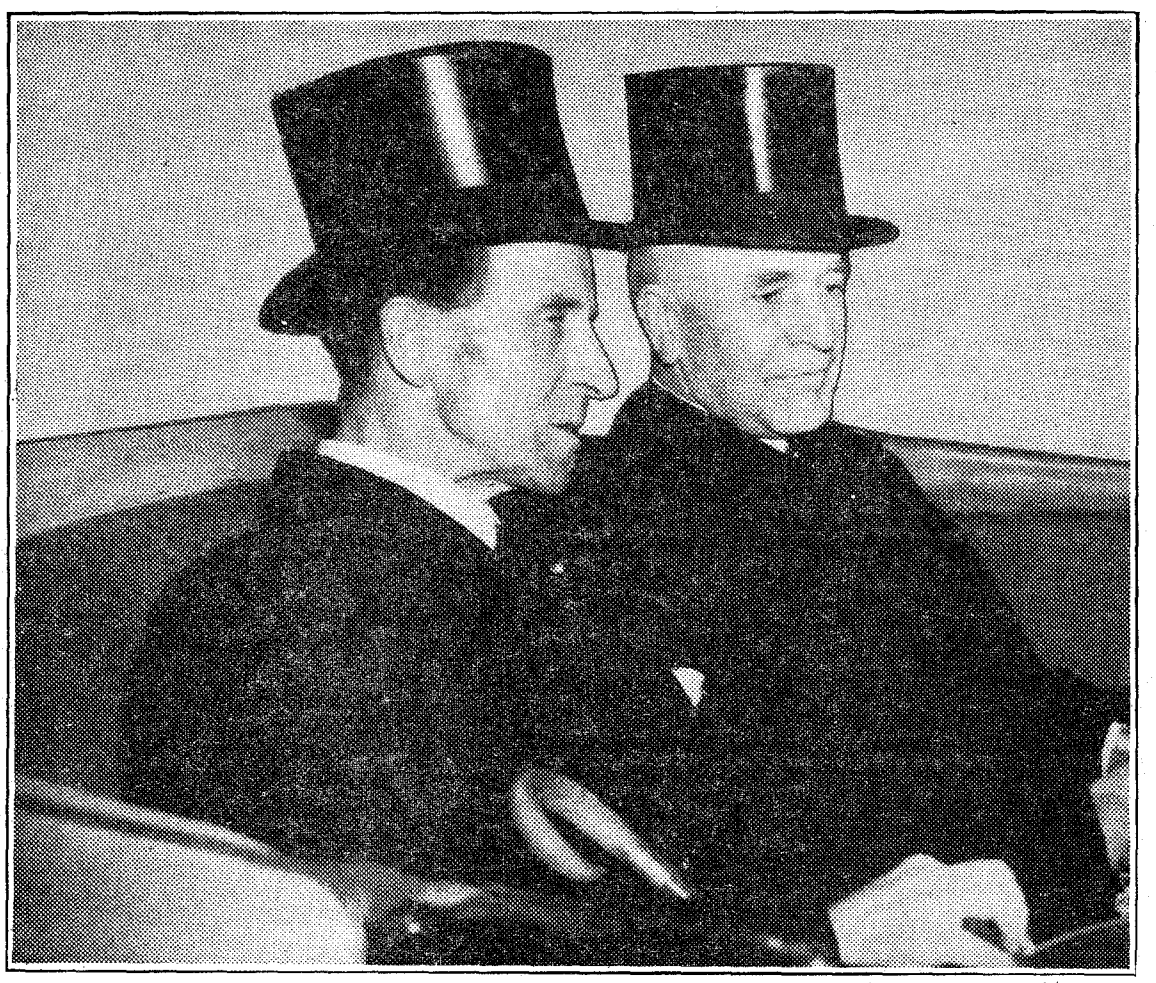
"We," according to Jim Farley, are just pulling the strings of a puppet-show-Senate and puppet-show-House so that the people will think that they, through their "representatives," are partaking in what, if we take Jim Farley's word for it, is a ratification of a deal already sealed—not a deliberate decision by a free and representative Congress.

That "we" is a fatal "we" for the American people and their republican form of government. The direct and inescapable warning of its fatal nature is to be discerned in the new attitude of distrust of the people.

"We" evidently no longer consider it necessary or wise to counsel with the people When "we" go to the people for a mandate, "we" do not tell them what "we" intend to do. Then when "we" are called

(Continued on Page 4)

Canada's Governor Is Guest



Lord Tweedsmuir, governor general of Canada, is shown with Secretary of State Cordell Hull, who met the distinguished diplomatic visitor at the Washington Union Station and accompanied him to the White House. *—Wide World photo.*

Contest Study Is Training in Social Justice

When a reader of SOCIAL JUSTICE enters our "KNOW SOCIAL JUSTICE" Contest he or she is aiding in the spread of Father Coughlin's teaching throughout the United States.

As American citizens we realize there is much wrong with our money system. We realize that only by the application of Father Coughlin's principles can there come any permanent amelioration of economic conditions in our nation. We know that the troubles which now beset our industrial life can be laid directly at the doors of an uncontrolled profiteer banking system which has enslaved employers of labor and caused unrest among the employed.

Therefore, there is a great REASON for this nationwide contest. Altogether apart from the cash and automobile awards, totaling in worth more than $7,000.00, there is an actual NEED for this social justice education.

That education can be gained by entering the "KNOW SOCIAL JUSTICE" Contest and answering every one of the 50 questions. Each and every question will bring to light in your mind economic considerations which might have never before occurred to you in all their significance.

And only a few weeks remain before the 368 prizes will be awarded.

You cannot fail to LEARN social justice by becoming a contestant while there is yet time. And—ANYBODY CAN WIN.

Foreign Stock Dumping Clears Market Mystery

(Continued from Page 1)

unloading. Foreigners deny that they are unloading American stocks. But it goes mysteriously on.

The confused brokers are asking themselves if the president's predictions of foreign stock dumping **was based on some "inside" information.**

Can the treasury's secret stabilization fund now be used to save the bond situation, or was it spent long ago to buy up American stocks in the foreign market?

Was at least part of the $2-billion fund used for that purpose?

Are these secretly purchased securities now being unloaded onto our stock market to counteract the bankers' enthusiasm for selling United States bonds in order to play the Big Board?

If this coup is being resorted to, in order to save the United States bond, what ace in the hole will the government have when these stocks are gone?

Who knows what was done with the stabilization fund?

Maybe some courageous congressman will call for publicity as to the disposition of the $2-billion the president and Mr. Morgenthau were given to do with as seemed wisest to them.

White House Callers Talk to President

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The rumor that President Roosevelt is toying with the idea of calling an international peace conference to head off war in Europe has bobbed up here again.

What revived it this time was the appearance in London of Norman H. Davis, Mr. Roosevelt's "Ambassador - at-large." He went there, according to the official explanation, to attend an international sugar conference. One of the press associations, however, refused to believe this and flashed a story from London that Mr. Roosevelt was about to launch a new "peace offensive."

Next day Secretary of State Hull sought to spike the story, and President Roosevelt also denied the London report, charging that it was press-inspired. Talk of a world peace conference, staged in the grand Rooseveltian manner, continues and a lot of men on Capitol Hill are frankly worried.

Fear Dictators Not Peace-Minded

These men — the cookie pushers of the diplomatic world refer to them contemptuously as "isolationists" —foresee a lot of grief for Uncle Sam if he turns busybody and sticks his nose into the European mess.

"You can't talk peace to European dictators," one realistic senator told SOCIAL JUSTICE. "A dictator has to have a crisis. Without one he is sunk. He must make it appear that some dreadful thing is threatening the country, and he must make his people think that he, and he only, can grapple with the menace and turn it into a triumph.

"When crises, even imaginary ones, come to an end, and when the people stop thinking that the dictator has all the answers, then the dictator knows he is in danger of losing his grip.

"For years now, these dictators have been building up a war psychology in their countries. Little boys are given wooden guns and taught to drill as soon as they can toddle. Mothers are asked to hurry and produce more little boys. War is pictured as a glorious thing, and if you

(Continued on Page 7)

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

Published by The Social Justice Publishing Co.

April 19, 1937 162 Volume III No. 16

Copyrighted. 1936, by The Social Justice Publishing Company; published weekly; publication and editorial office, Box 150, Royal Oak, Michigan. Subscription price, United States and possessions. $2.00 per year. Unless otherwise directed; we begin all subscriptions with the current issue Entered as second class matter, March 12, 1936, at the Post Office at Royal Oak, Michigan, under the act of March 3, 1879.

PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

The Woes of Morgenthau

THE New Deal has successfully and consistently maintained the confidence of the majority by blaming its failures on outside obstructionists and destructive enemies.

The policy of the "whipping-boy" has worked amazingly well.

A new national danger, however, threatens in the near future. The New Deal is running out of scapegoats.

The Liberty League is deader than a door nail. The Republican party is deader than that. "Economic royalists" are being so shackled by public animosity and labor revolution that they are rapidly approaching a state in which they are merely tolerated by the politicians.

The last, saving "buck" for the New Deal "buck-passing" is the Supreme Court and its brood of "defeatist lawyers."

Like the dog that bit the hand that fed it, the New Deal is about to put a halter on that last of the wild horses.

The New Dealers, if they intend to continue to rely on the support of public opinion, are about to find themselves in the position where they will have to shoulder the responsibility for their own misdeeds and immature judgment.

The first New Dealer to get a taste of his own propaganda is Secretary of the Treasury, Henry Morgenthau.

Henry miscalculated the probable income of the treasury from the income tax revenue and the New Deal finds itself short on the budget.

The shortness of income as compared to spending is nothing new in the affairs of the administration. The country has almost grown accustomed to that.

What hurts is that the president has been promising that there would be no additional tax legislation this year, and it begins to look as though he can't keep his promise.

Since the experts agree that every source of government income has been sapped to the limit, the New Deal may now be forced to invade the lower income bracket, where you find the "under-privileged," the "forgotten man" and the yearner for "the more abundant life"—vastly more than twenty-seven million of them.

It might be all right if they could be taxed painlessly (they pay the bulk of all the taxes **indirectly**, you know); but to make them fill out income-tax blanks—that's terrible. Why, then they will **know they are paying** for "the more abundant life."

The saddest part of all is that **there are many more than twenty-seven million of them!**

And Henry Morgenthau knows, down deep in his heart, that there is no one to blame but the New Deal spenders.

It's going to be awfully hard to find a class of income tax evaders large enough to be successfully branded as an organization of traitors.

More Woes

WHILE New Deal spending, without thought for the "under-privileged" who will have to do the paying, has progressed, other developments have progressed with it.

The cost of living, for instance, has progressed until it is almost as high as it was in the early days of Hoover.

In other words, the dollar has not been stabilized; the dollar has not been made honest, as the crusading candidate of the Democratic party in 1932 said it would be.

It was very popular to talk that way back in 1932 when the banks were toppling and property was being foreclosed and a dollar would buy so much—for those lucky enough to have a dollar.

In 1932, the majority of the people, because they were so close to it, because they were suffering so much because of it, **knew the real cause of the depression. They knew it was a dishonest money and banking system which created dollars that cheated everyone but the over-lord bankers.**

The presidential candidate of the Democratic party, back in 1932, promised the people that he would make the dollar honest—so that it would no longer rob the laborer of his "raise" in pay, so that it would no longer steal the farmer's "higher prices."

When he was made president, that Democratic candidate was given **autocratic** power over the money system and the banks. **There was absolutely nothing that he could not have done with the money system.**

He could even have followed out the plainly stated provision of the Constitution to restore to Congress the power to **"coin money and regulate the value thereof."**

The Supreme Court has not removed one clause of the legislation that gave the president that power.

But the same old system is in full sway—food and clothing and shelter cost more and more today because **the dollar is unregulated.**

There is no other place to put the responsibility for the inflationary wave which is sweeping the country and which is now actually out of control, than on the doorstep of the Treasury—or more accurately, in the lap of the New Deal. It is their baby; they cannot deny their parentage.

More woes for Mr. Morgenthau.

Consider the Laborer

TAKING it on the chin, from taxation, from inflation and from other forces of disguised oppression, are the laborer and the farmer.

For the present, let us consider the laborer.

From eight to ten million men are still unemployed—still as far from the "more abundant life" as they were six years ago.

Millions of laborers, although employed, are working for less than did in the good old days—despite bonuses and pay raises.

As consumers, they are paying, in prices of the commodities they **must** buy, the record-breaking taxes that are supposedly levied on capital and industry.

They are facing the necessity for the government soon to place an additional **direct** tax on their "incomes."

They are paying more for milk, for meat, for butter, for eggs, for bread, for shirts, for gasoline, for rent, **for everything**, than they have paid since 1929—and prices are soaring ever higher.

They are paying a tax for a nebulous "social security" which will not be security when they collect.

And hundreds of thousands of laborers are **paying tribute to a new, unofficial taxing power.** We understand that, as the C. I. O. entrenches itself in more and more industries, the "dues" are raised higher and higher.

Consider the poor laborer—as grow the woes of the New Deal, so grow his woes!

EYES and EARS

(Continued from Page 3)

to account by the clamorous outraged cries of millions of citizens, "we" use the guile of Michiavelli to deceive the unthinking.

"We" obviously don't trust the people before election and, after election, when "we" have our rubber mandate in the pocket, "we" don't care about the people.

* * *

Even so, "we" still have misgivings that the people may wake up to what "we" are doing before "we" succeed in "putting this thing over."

How else can one explain the effort, as charged by Senator Wheeler, now being made by Attorney General Cummings to put an abrupt end to the public hearings in the Senate on the Supreme-Court-desecrating-bill?

Senator Wheeler, a seasoned politician who has seen all the tricks of the trade, is stunned by the boldness with which the imperial "we" is trying to steam-roller the opposition to the president's unprecedented demand. He said, in a recent interview:

> **"I am amazed to discover that the Attorney General of the United States is urging the Senate Judiciary Committee to close its public hearings on the president's Supreme Court bill, thereby preventing Congress from obtaining the views of the American people on the most important constitutional question raised since the Civil War. "Evidence of the Attorney General's strategy on this issue is revealed by the hired help he sends daily to the Capitol with instructions to be conveyed to members of the Senate Judiciary Committee. The Attorney General will perform sufficient service if he will limit his activities to his own department and leave Congress free to conduct its own legislative functions."**

Senator Wheeler is a member of the president's own party and has been a leader in fighting for much of the legislation that was designed to usher in "the more abundant life."

He has overwhelming reasons to line up with the dominant "we." The reason he doesn't is because he now clearly see that "we" are not devoted to the ideals of the republic which for a century and a half has given the American people the most liberal, the most prosperous and the soundest government that history has ever revealed.

Senator Wheeler wants a continuation of those benefits even at a temporary sacrifice rather than the potential tyranny and the actual folly of

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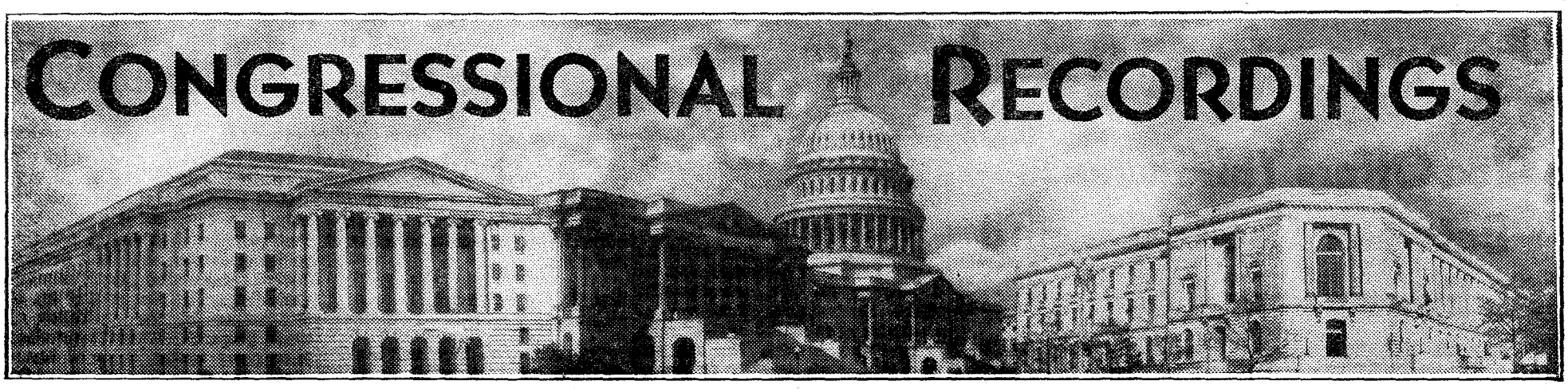

Power Is Too Much for One Man, Court Defender Tells House

"The principle of maintaining the Supreme Court and all other courts free from political pressure is so vital that it ought not to be sacrificed for any supposed immediate advantage. Why is it vital? The answer is that you have no rights unless you can assert them against government itself. Otherwise they are nothing but favors to be enjoyed or withdrawn at the will of changing majorities.

Where can you assert your rights against the will of the government?

Only in courts presided over by judges protected from political pressure. When there are no such courts there are no such rights. The preservation of that kind of courts is a matter of profound importance to racial, religious, social and political minorities.

"Sincere well wishers of the president are very much alarmed with the possibilities contained in the pending Supreme Court proposal. However desirable certain objectives may be, these objectives can and should be secured by other means.

"Do you want the constitutional protection of minority groups to continue now, four years from now, eight years from now; or **do you want to take the chance that the majority will look after the minority?**

"Millions of people have confidence in President Roosevelt. But they have no confidence in his successor, whoever he may be less than four years from now.

"A power once used by a well intentioned man to remake the Supreme Court would surely be seized upon by an evil minded successor, and we are headed then back to the dark jungle of absolutism in government. **This is more power than a good man should want or a bad man should have."**

—Representative Samuel Pettengill of Indiana.

Payroll Tax Spent on Bills

"The Treasury this year will collect about $600-million in pay-roll taxes for social security purposes. The money does not go into earmarked trusts. It goes into and mingles with the general revenue. Congress then appropriates $500-million to the reserve fund.

"The Secretary of the Treasury does not put the money into the reserve fund. Oh, no; he keeps the money, and as required by the act, issues 3 per cent bonds to the reserve fund. They are permanent bonds. The principal of the bonds is rarely ever cashed or touched. It is only the interest on the bonds which ordinarily concerns the reserve fund.

"So what has happened? Social Security gets a permanent 'IOU' for $500-million under the terms of the bill we are now passing. The Secretary of the Treasury gets the $500-million in cash **to apply on general debts and deficits.**

"Actually social security helps to finance our current general federal expenditures. **In other words, we use the proceeds of a gross income tax on labor, raised in the pious name of social security, to cushion the general Treasury."**

—Senator Arthur H. Vandenberg of Michigan.

Capital Abuses Sow Perils of Mob Tyranny

"The tyranny of a mob is as odious as is the tyranny of a monarch. If men are to be permitted to take the law in one hand while they brandish a bush ax or shotgun in the other, and openly set law at defiance, while they seek to accomplish by force and violence that which slow processes of law denies them, neither your home nor my home nor the home of the humblest citizen will long be safe and secure from the ravages of reckless men. We will no longer have a government of law but only a land of lawlessness and chaos.

"If the evils of the economic system under which we are living have driven honest American workers to the desperation of outlaws, surely, **the evils must be eradicated and the systems must be improved.**

"If industry has displayed a medieval disregard of the rights and privileges of those it employs, **the laboring man has a right to look to the government and to the law for a correction of the system under which he is forced to live.**

"If industry has armed itself with blackjacks, tear gas, machine guns, and other deadly weapons for the purpose of an offensive warfare against the lawful rights of the laboring man, then America must unarm industry and strip it of its deadly weapons and unlawful purposes.

"These struggles and these controversies must be settled upon the basis of right reason, human justice, and common sense, and under laws characterized by simplicity and equality."

—Representative Harold Cooley of North Carolina.

Who's to Blame for Desertion?

"In recent years, thousands of homes have been deserted, not only in Missouri, but in every other Mississippi valley state. Thousands upon thousands of our farmers have been forced to leave their farms. Why?

"Because Secretary Wallace has been spending millions upon millions of dollars of the taxpayers' money in taking good, tillable soil out of production in my state and every other middle western state, while Secretary Ickes has turned right around and spent hundreds upon hundreds of millions of dollars of the taxpayers' money on irrigation and reclamation projects in the far west, opening up 1,600,000 acres of new land that had never been in cultivation before.

"If we will stop this illogical, silly, foolish and destructive program of having **one department of government destroying every attempt that is made by another department;** if we still stop paying farmers not to farm in the mid-west; if we will stop opening up new regions in the far west, many of the farmers of Iowa and Missouri will stay at home and not go out to Idaho, California and Washington."

—Representative Dewey Short of Missouri.

Depression Plotted by Federal Reserve, Charge of Binderup

"We have not eliminated the poverty and misery of the United States, and we have not been able to bring our great nation back to normal because we have never analyzed the case, and we have never yet discovered the cause, in this Congress, of this depression.

"A few years ago, when the party in power was trying to cure this depression, they suggested as a remedy to build prosperity from the top down, telling us that in this way the money would "dribble down to the farmers and the working people," and thus prosperity would be returned.

"You cannot build prosperity from the top down, any more than you can build a 10-story brick house and build the top story first. You have to build from the bottom and up. We tried it during the Republican administration. We experimented.

"First we gave to Mr. Dawes' bank $90-million, and waited and hoped that it would 'dribble down.' But it never dribbled. It stayed right in Mr. Dawes' bank, locked up. It never moved. Then do you remember that we gave the Missouri Pacific railroad millions of dollars because, we said, the money would dribble down and give work to the laboring people? But it never dribbled.

"The Bonds Are Due"

"And then do you remember that J. Pierpont Morgan stepped in and said, 'I'll just take that money myself?'

"We said, 'Wait a minute, John. Now listen, you can't do that. We gave those millions of dollars to the Missouri Pacific in order to create work, in order to make railroads safe, that the public might travel in confident safety, in order that labor might have employment. You can't take that away from us.'

"But Mr. Morgan replied: 'The bonds are due.'

"And we said: 'Alright. I guess that's right, Mr. Morgan. Go ahead.' And do you remember he invested this money in Europe? Again we went to Mr. Morgan and said:

" 'Now listen, John, you can't take our money and invest it in Europe. That money belongs down there in Missouri. That's what we gave it for. You can't take that money and send it over to Europe.'

"Mr. Morgan replied: 'Investments in Europe are safer now than they are in the United States.'

"And again we said: 'I guess that's right. Investments are not very safe here.'

"We did not take the trouble to stop and tell J. Pierpont Morgan **who it was that had made investments unsafe over here, who it was that had taken the money away from the people and wrecked our nation.**

Plotted in Harding Office

"There is an old saying that peace has its horrors as much as war, and

(Continued on Page 10)

Hits Profit Off U.S. Credit

"Every Communist in America is solidly behind the president's program to take over the Supreme Court. I would like a picture of one who was opposed to the president on this issue. They support him, not because they think that will cure our troubles, but because they believe it will make our troubles greater.

"Anything that will tend to injure the government they are for, no matter what it is. They freely admit here and elsewhere that we cannot 'patch up the profit system.' **They desire a labor dictatorship. If this were accomplished, they would discard Roosevelt as quickly as they discarded Kerensky.** They see in this Supreme Court move a chance to 'bore from within' as they call it, and more quickly procure a collapse of government.

"In this country no dictatorship of any kind is necessary. We can preserve our institutions of society the state, the home, the school, the church, and our business activities only if we abolish our present monetary policy and adopt a standard for the issuance of money that will be fair to every endeavor in the nation, will put buying power in the hands of everyone who wants to work, break the shackles of devastating interest burdens, and that will **end the unconscionable profits arising to private business by reason of the free use of government credit.**

"The grave menace of this interest system can be realized when we state that of every dollar spent by a purchaser over the counter of business today 51 cents goes for interest and taxes. This situation must end if we are to perpetuate this government."

—Representative Usher L. Burdick of North Dakota.

Security Bought With Freedom Tale of Old World; Peril Here

"The Guffey-Vinson coal bill does specifically what the cartels of Europe did, and we know that the cartels of Europe afforded Hitler and Mussolini the ready means, the equipment, the implements, with which to seize both sides of industry—capital on the one hand and organized labor on the other—and both capital and labor lost their liberty.

"The germ of political disease which has transformed Europe and Asia into opposing camps of novel ideas—**but in both camps one must observe that the underlying principle is absolute authority**—has rendered governments of the Old World unable to govern any longer, and they have thrown up their hands and subjected themselves to the insistence of certain people that someone come in with authority, that some leader come forward with power, and make them secure.

"They have already parted with freedom, they have already given up liberty, at the purchase price of what they thought would be security; and in that process they went through an economic evolution which corresponds so closely to that which is contemplated by the Guffey-Vinson bill that it seems to me we ought to pause before we accept its provisions.

"The provisions intended without doubt, to benefit labor, are a harm to labor, and in the long run, labor will find itself right where labor has found itself in Italy, in Germany, in Rumania, in Poland and in Russia. There were fine, strong labor unions in Germany. What became of them? **They were abolished by edict of the political power into whose hands they threw themselves,** as labor in this country is today throwing itself into the hands of the federal government.

—Senator Warren Austin of Vermont.

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Property as Key to Social Justice

Belloc Offers Third Choice Between Capitalism and Extremes of Communism

SOCIAL JUSTICE herewith presents another in its series of reviews of the better new books whose authors have valued contribution to make toward a better social order. Hilaire Belloc, well known British writer, has long spoken the language of social justice in England. Readers will recognize much that is familiar in his philosophy.

The late Gilbert K. Chesterton, in his "Autobiography," reviewed recently in these columns, paid the respect of critical tribute to his friend, Hilaire Belloc. Of the latter's book, "The Servile State," Chesterton wrote:

"The thesis of this book is that the socialist movement does not lead to socialism. This is partly because of compromise and cowardice; but partly also because men have a dim indestructible respect for property, even in its disgusting disguise of modern monopoly. Therefore, instead of the intentional result, Socialism, we have the unintentional result: Slavery. The compromise will take the form of saying: 'We must feed the poor; we won't rob the rich; so we will tell the rich to feed the poor, handing them over to be the permanent servants of a master-class, to be maintained whether they are working or no, and in return for that complete maintenance giving complete obedience.' All this, or the beginnings of it, can be seen in a hundred modern changes, from such things as Insurance Acts, which divide citizens by law into two classes of masters and servants, to all sorts of proposals for preventing strikes and lock-outs by compulsory arbitration. Any law that sends a man back to his work, when he wants to leave it, is in plain fact a Fugitive Slave Law."

Economic Freedom Is Man's Desire

In his latest book, "Essay on the Restoration of Property" (published by Sheed & Ward, New York), Belloc has provided an all but indispensable source-book of principle for those who can accept neither uncontrolled finance-capitalism as we see it today, nor the communist-collectivism as we may see it tomorrow.

The object, says Belloc, is not only to restore purchasing power, but to restore economic freedom. The writer explains that a manager at $5,000 a year, who may be dismissed at the caprice of his employer, has plenty of purchasing power, but he has not economic freedom.

Belloc asserts that it is obvious that **whoever controls the means of production controls the supply of wealth. If,** therefore, the means for the production of that wealth which a family needs are in the control of others than the family, the family will be dependent upon those others. It will not be economically free.

"The family is ideally free when it fully controls all the means necessary for the production of such wealth as it should consume for normal living.

English People Have Lost Property

"Today in England, and to a lesser degree in many other countries, widespread property has been lost. Ownership is not a general feature of our society, determining its character. On the contrary, absence of ownership, dependence on a precarious wage at the will of others is the general feature of our society and determines its character.

"The family does not possess that freedom which is necessary for its full moral health and that of the state of which it is the unit. Hence, our society has fallen into the diseased condition known as 'industrial capitalism.' In this state the control of the means of production is vested in a comparatively small number; consequently economic freedom has ceased to be the note, giving its tone to society.

"Industrial capitalism has attached to it, besides the loss of freedom, the twin evils of **insecurity** and **insufficiency.** The main body of citizens — the proletariat — are not sufficiently fed, clothed or housed, and even their insufficient supply is is unstable. They live in a perpetual anxiety.

"Now those two evils of insecurity and insufficiency might be eliminated and yet economic freedom be absent from the mass of society. There are two ways in which they could be eliminated without the restoration of freedom.

"The first way is through what I have called elsewhere 'The Servile State.' In this form of society, the minority controlling the means of production supports all the vast majority of the dispossessed. That is the direction in which we are drifting today. The capitalists keep men alive by exploiting them at a wage, and when they cannot do this, still keep them alive in idleness by some small subsidy.

The second way is Communism—of its nature unstable but practicable for only a comparatively short space of time. Under it the means of production are controlled by the officers of the state, who are masters of all the workers (slaves of the state), and the wealth produced is distributed, at the discretion of the state officials, among the families, or, if an attempt be made to abolish even the family, then among the individuals of the community.

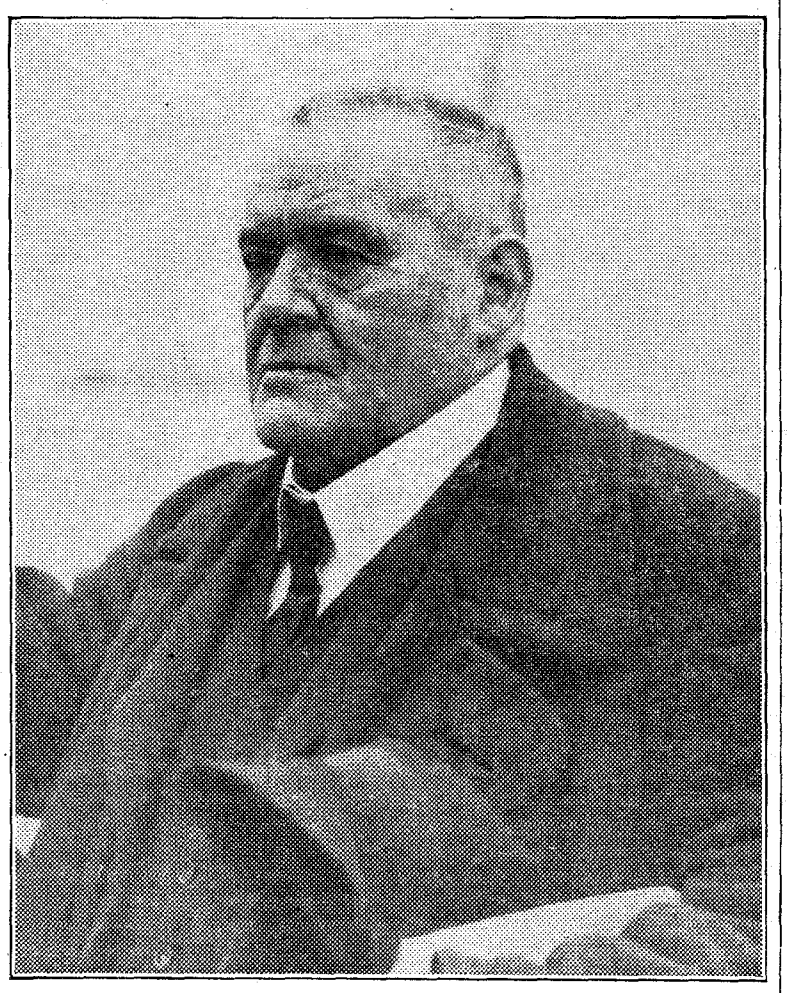
Property is "Key" To New Social Order

"There is a third form of society, and it is the only one in which sufficiency and security can be combined with freedom, and that form **is a society in which property is well distributed and so large a proportion of the families in the state severally OWN and therefore control the means of production as to determine the general tone of society;** making it neither Capitalist nor Communist, but Proprietary. If, then, we regard economic freedom as a good thing, our object must be thus to restore property. We must seek political and economic reforms which shall tend to distribute property more and more widely until the owners of sufficient means of production (land or capital or both) are numerous enough to determine the character of society.

"Men voting under strong emotion on one single clear issue may instruct others to carry out their wishes; but the innumerable acts of choice and expression which make up human life can never work through a system of delegation. Even in the comparatively simple field of mere political action, delegation destroys freedom. **Parliaments have everywhere proved irreconcilable with democracy.** They are not the people. They are oligarchies, and those oligarchies are corrupt because they pretend to a false character and to be, or to mirror, the nation. They are in reality, and can only be, cliques of professional politicians. **Ownership by delegation is a contradiction in terms.**

"When urgent material necessities are unsatisfied, they must be satisfied first. Shipwrecked men on a raft at sea live, exceptionally, under Communism. The dispossessed in a capitalist society must at least be kept alive. But it is not true that, such exceptional remedies for an unnatural evil having been used, we must go on to destroy the good of economic freedom for the advantage of enjoying greater material wealth.

"This last argument is one of the many which we find common to those who defend the Capitalist system and those who defend the Communist system; for **Socialism and Capitalism are twin successive products of the same false philosophy.**



Hilaire Belloc

How Conspiracy Enthroned Capitalist

"Well-divided property will not spring up of itself in a capitalist society. It must be artificially fostered. Communism will spring up of itself and flouirsh in a capitalist society, for it is a product of capitalistic thought and moves along the same lines as capitalism. But well-divided property will not so arise.

"Private property acting unchecked, that is, in the absence of all safeguards for the preservation of the small man's independence, tends inevitably to an ultimate control of the means of production by a few; that is, in economics, to capitalism, and therefore, in politics, to plutocracy.

"The idea that capitalism arose of itself, and necessarily, from the mere institution of private property, is the fruit of bad history pressed into the service of bad philosophy.

"It is not true that capitalism arose inevitably from the necessary development of economic institutions under the doctrine of private property. Capitalism only arose **after the safeguards guaranteeing well-distributed private property had been deliberately broke down by an evil will insufficiently resisted.** It was not capitalism that came first and gradually dissolved the institution of well-divided property; it was the conditions under which alone well-divided property could survive, and had survived for centuries, which were first destroyed. Only then, after their destruction, was the field free for the growth of plutocracy in politics and capitalism in the economic structure of the state.

Landlords Seized Peasants' Lands

"The first great blow was the destruction of the guilds, coupled with the seizure of collegiate property in all countries transformed by the Reformation, but most thoroughly and universally in England. This was followed up in England by a series of positive enactments of which that one called "The Statute of Frauds" was perhaps the chief instrument in destroying the English land-owning peasantry.

"The Statute of Frauds, made law by the Big Landlords and the Lawyer's Guild under Charles II, after the breakdown of the English monarchy and the beginning of aristocratic government in its place, provided, among other things, that no title to land should be valid **unless there were written proof of the same.** Now the mass of small English yeomen had no such documents to show. They held their land from father to son under the village landlord in fee-farm tenure, paying only small quit rents. They were thus owners and hereditary owners of their tenures by traditional and immemorial custom and hereditary free-holders. But after the iniquitous Statute of Frauds, the local village landlord could, and gradually did, claim ownership of the land and thus reduce this class of peasants to a tenant. He gradually sank to become a proletarian laborer.

"Nor is it true that machinery in its various forms, including the modern conquest of space (rapidity of transport in material things and ideas) lies at the root of this modern evil. The machine does not control the mind of man, though it affects the mind of man; it is the mind of man that can and should control the machine.

"The whole attitude of the old-fashioned socialist—or, as he has now logically become, the Communist—with his well-worn argument of inevitability, is rooted in a wrong conception of what men are—that is, a false philosophy—supported by a wrong conception of the historical process reached by the putting of events in the wrong historical order.

"And though it is true that unchecked competition must ultimately produce the rule of ownership by a few, yet it is also true that mankind has always felt this to be a danger, and has instinctively safeguarded itself against that danger by the setting up of institutions for the protection of small property. **These institutions have never broken down of themselves, but always and only under the conscious action of a deliberately hostile attack.** So the carefully planned irrigation of the Tigris and Euphrates combated with success the natural tendency of the swamp and the desert till the Mongol deliberately destroyed such safeguards of civilization.

Seven Avenues To Exploitation

"There are seven main avenues whereby unchecked competition tends to put a few into the control of the means of production, transport and exchange, and therefore society as a whole. There are seven ways whereby healthy, normal human society with a mass of well-distributed ownership can degenerate into a capitalist society, the mark of which is the exploitation of the many by the wealthy few.

"These seven avenues may be tabulated as follows:

"1. The larger unit is in proportion less expensive than the smaller in management, rent, upkeep, and all things that are called in commercial jargon 'overhead charges.' The only limit to this tendency is the difficulty of organizing and conducting units beyond a certain size; and that difficulty is more and more easily overcome by practice and the development of perfected organization.

"2. The larger economic unit is better able to purchase all the more expensive instruments for the production, distribution and exchange.

"3. The larger unit can borrow more easily in proportion than the smaller. It can especially tap bank credit more easily and **bank credit is, today, the chief factor in economic activity of all kinds.**

"4. The larger institution can undersell the smaller one at a loss, until the smaller one is imperiled or killed. The richer man, or combination, can thus 'rope in' the smaller man, or 'freeze him out,' that is, compel him to alliance on onerous terms or actually destroy him.

"5. The larger unit will accumulate capital under easier conditions than the smaller.

"6. Plutocracy will corrupt the legislature so that laws will be made in its favor, increasingly handicapping the small man and advantaging the larger.

"7. Plutocracy, once established, will equally corrupt the administration of justice, weighing the scales in favor of the rich man against the poor man."

Speaking of bank credit, the author realizes its omnipotence keenly. Banks, he points out "hold the throttle valve of the whole economic machine." It is of no use attempting to restore the institution of property here in England until we have given the small owner some power of reaction against this universal master," Belloc concludes.

"We can spread (and it is the duty of every good citizen to spread) a knowledge of the arbitrary power possessed by the Bank of England and proclaim the duty of controlling it. That general motion is open to us, and a great service it is. But we cannot rapidly produce a well-divided control of credit nor attack on any ready-made plan the gigantic network of credit control which has arisen almost within living memory and half strangles society. What we can do is to establish small co-operative credit-institutions duly chartered and legally protected from attack."

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Europe Again Flirting With America to Call a World Peace Parley

(Continued from Page 3)

doubt that look at what is going on in Spain. Stalin, Hitler and Mussolini are sending their legions over there for a work-out, so to speak, priming them for the big show that is to come later.

No Playmates For Uncle Sam

"Do you think that the dictators, after glorifying war and strutting and saluting all these years, would ask their followers to drop their arms? Why, it would be like trying to take lollypops away from children.

"Imagine Uncle Sam sticking his neck out in a situation like that!

"Oh, I don't believe that Hitler and the others would decline to attend a peace conference. Sure they would attend, and they would agree to behave for a while, too. Yes, but for a price. Germany would want colonies. Italy would want concessions in the Mediterranean. Russia would want something at the expense of Japan, and vice versa.

"If the United States ever became embroiled in an international trading orgy like that, it would emerge the most hated country on the face of the earth!"

President's Mind Not Made Known

That's the view of the "nationalists" on Capitol Hill, men who take seriously George Washington's admonition against entangling alliances.

The others, those who believe that America made a grievous mistake when it stayed out of the League of Nations and the World Court, insist that this country must "play its part"—must use its influence as a great neutral country to make the bad nations of Europe stop their sword-rattling and live in peace.

But what about President Roosevelt? Where does he stand? Is he really thinking about sponsoring a world peace and disarmament conference?

The answer would seem to be that Roosevelt has adopted no definite policy. He hasn't said yes, and he hasn't said no. "Ambassador-at-Large" Davis and William Bullitt, ambassador to Paris and the president's closest diplomatic advisor, are reported to be sounding out sentiment for him, advising him as to what role, if any, he should play.

English Visitors Wooing Roosevelt

Roosevelt probably knows more about world affairs than any man who ever occupied the White House—not because he is a greater student of such affairs than his predecessors, but because he has the best system of getting information. On form, he would take a realistic view of the situation, and not let idealism run away with him.

What the nationalists in Congress fear is that Mr. Roosevelt, like many another great figure, **might get to thinking too much about his place in history,** and in an exalted moment take in too much territory. For that reason they have been disturbed by the visits of two recent guests at the White House. One was Sir Walter Runciman, trade-member of the British cabinet, and the other was Lord Tweedsmuir, Governer General of Canada. Both slept under the White House roof.

The visits of the two men were described as "unofficial." However, nobody in Washington believes that they spent their time gazing at the Roosevelt stamp collection. Tweedsmuir is more than an English lord, and a lieutenant of the King of England in Canada. In the literary word, he is "John Buchan," a famous historian, author of "Oliver Cromwell" and some 30 other books. Is it possible, Washington is asking, that Tweedsmuir talked to Mr. Roosevelt **about "his place in history"?**

War Would Be Vital to U. S.

This much should be said about President Roosevelt: If he is worrying about the rest of the world right now, it is not altogether because of any great compassion for other nations; it is because of the effect that a European war might have on America's economic life.

The idea used to be prevalent that a war elsewhere in the world would cause a healthy boom in American industry. Americans now know better, or, if they don't, they ought to. The "prosperity" that the World war brought was a **prosperity based on money this country lent to Europe,** money that hasn't been paid back to this day. In the next war, Uncle Sam isn't going to do any lending, and consequently there isn't going to be a great deal of buying. Hence not even the fiction of a war "prosperity."

Fateful Depression Lurks in Situation

For the first time since the depression, world trade is beginning to pick up. This year it is expected to increase by $4-billion, and of this increase the share of the United States is expected be at least $750-million, sending the total of American export trade above the $5,000,000,000 mark.

There is an "if" in that, and the if is war. Says Assistant Secretary of Commerce Ernest G. Draper:

"We might as well as admit frankly that war is the most devastating and most unpredictable factor. We earnestly pray that none will occur in 1937. If it does occur, the fabric of international trade will be so torn and twisted as to make even the most general estimates appear fantastic."

Normally the export trade of the United States represents about 10 per cent of its entire production of goods. That may not sound very big. Yet a violent disturbance in that trade could send the country tumbling back into a depression. From the West Coast, we export 46 per cent of our dried fruits and over 50 per cent of our sardines; from the Atlantic states, we export over 40 per cent of our typewriters, 25 per cent of our calculating machines, and one-third of our patent leather; from the Middle West, we normally export 40 per cent of our lard and 30 per cent of our agricultural machines, and from the South about 50 per cent of our tobacco and cotton.

Let war impoverish the tobacco and cotton farmers; let them stop buying from the mail order houses; let the mail order houses start firing employes, and you have the makings of another downward spiral.

THIS WEEK IN THE WORLD

CALCUTTA, INDIA. — The unpleasant predicament in which England finds herself regarding the inauguration of the new constitution in India on April 1 again reflects the unrest that prevails throughout the British Empire. The new constitution granted semi-independence to 11 provinces, but in six provinces the new Congress party flatly refused to form governments. They were directed by President Pandit Nehru, educated at Harrow and Cambridge, who has taken an adamant stand of "all or nothing," all meaning complete independence of India. A general strike was threatened on April 1 although England had some 60,000 troops ready for any amergency.

In all six provinces the British have vainly endeavored to form temporary cabinets, but these are practically meaningless in view of the fact the Congress party holds a majority and can overthrow the cabinets as soon as the legislature is assembled. Neither the British governors nor the Congress party are willing to back down, with the result that the deadlock may invalidate the 10 years work spent in perfecting the constitution.

The timing of the present strategy on the part of the Congress leaders has left London officials and the Baldwin cabinet especially in a very tight corner with the coronation coming on. There had been no marked indications of this unheralded defiance of the Congress party leaders and it has caught the British leaders in India and England unprepared and groping for a satisfactory way out.

In order to obtain a bird's eye view of the "old" and "new" conditions, we submit the following survey compiled by the Christian Science Monitor.

* * * * * * * * *

The Former System	The New System
1. Hitherto, the Indian provinces, which are each as big and as thickly populated as a first-class European state—among them containing 260,000,000 persons—have been governed alike in their local and national affairs by officials responsible to the British Parliament.	1. Now, the local affairs of these provinces are being handed over to Indian ministers responsible to elected legislatures.
2. Hitherto, these provinces, of which until quite recently there were only nine, including Burma—a country itself as big as France and containing 15,000,000 persons—were merely administrative units in a whole that was governed by bureaucracy.	2. Now, the territories concerned have been redistributed so as to form 11 provinces excluding Burma. They have also been so reorganized as to enable them to become units in a single self-governing federation that is eventually to include all the 350,000,000 persons of India.
3. Hitherto, Burma has been part of India.	3. Now, Burma has been changed into a self-governing country independent of India, though closely related to it by special trade agreements.
4. Hitherto, there has been no direct constitutional relationship between the provinces and the 600 semi-independent princely states which contain 80,000,000 of the persons of India.	4. Now, the provinces have been so reorganized as to enable them hereafter to link up with the princely states, so as to form a series of coequal units, each comparable to one of the states in the United States of America, the whole being intended eventually to form a United States of India.
5. Hitherto, in the provinces, only the less essential departments of local administration have been controlled by responsible Indian ministers.	5. Now, in the provinces all the departments of local affairs will be under the control of responsible Indian ministers.
6. Hitherto, the electorate has numbered only 6,000,000 voters.	6. Now, this electorate has been expanded so as to include practically all those who are enabled by their education to take an intelligent interest in public affairs. The number of potential voters has thus been raised to about 30,000,000, of whom nearly 5,000,000 are women.
7. Hitherto, India has been in the main governed by foreigners.	7. Now, there is being put into actual force the first of a number of concerted measures which, following one another in well-ordered sequence are, when completed, to give India a system of self-government comparable to that which is in force in such self-governing, coequal states of the British Commonwealth as Canada, Australia and South Africa.

General Strike Coronation Prospect

LONDON, ENGLAND. — In addition to the headaches that John Bull has with the far-flung colonies, he has to contend with the possibility of a general strike in the transportation and catering trades during coronation week that would virtually paralyze London. To cap the climax, one million miners, engineers, shipbuilders threaten to walk out, tying up the 7½-billion armaments program that England has recently launched. In most instances, the workers demand increased wages as well as shorter hours and better working conditions. Some are demanding restoration of 1¼ per cent of the wage cuts they received during 1931 and a 12-day vacation with pay.

The fact that the labor leaders themselves are not able to control and hold their men in check was dramatically illustrated last week when 1,500 engineers struck for higher pay at the Park Head Forge Works at Glasgow, one of the key points in the armaments program. Union leaders pleaded with the men not to walk out and jeopardize the munition plan, but empty appeals to patriotism did not satisfy the workmen. A vote was taken and the leaders' wishes were overwhelmingly turned down.

The strikers also won the solid support of some 12,000 members of the powerful Amalgamated Engineering Union at Glasgow. There is talk of government intervention in view of the fact that millions of dollars will be tied up if a long strike comes to the munition plants. Communist workers, too, are sowing discontent.

8-Million Women Workers in Soviet

MOSCOW, RUSSIA. — According to figures recently released by the Central Statistical Department of the State Planning Commission, women workers in the Soviet Union now number 8,492,000, or 34 per cent of all wage workers. This represents an increase of 5-million over 1929 and almost 3-million are employed in the heavy industries. more than 40 per cent of the work done on Soviet collective farms in 1936. There are 42,000 women physicians or almost half of the total doctors.

At the recent all Russian congress, 23 per cent of the delegates were women, compared with 6 per cent at a similar congress 12 years ago. This increased participation of women in politics is an index of the women's new social standing.

The recent use of cosmetics, dancing, sports and recreation has contributed toward some improvement in feminine charm, but, as a whole, the typical Soviet girl is still a factory worker. She will have the stamp of a factory slave as long as all spirituality is stamped out of their lives by government edict.

Carve New State Out of China

SHANGHAI, CHINA. — According to the latest newspaper dispatches, a new puppet state, bearing the name of "Mongakuo," has been set up in Northern China. The nominal head is one Prince Teh Wang, long a thorn in the side of the Central Nanking government, but the hand of Japan is seen in the move inasmuch as the new state was established with the assistance of Japanese advisors and military men. The new state includes the six northern counties of Chahar. It will serve as a buffer between Manchukuo, now owned by Japan and the Suiyan province, which is dominated by Communists. Thus another land barrier is sliced off of North China.

Prince Teh lost the support of his own people due allegedly to his submission to Japanese influence. An independent administrative government has already been set up with tariff schedules and custom duties already in operation.

EYES & EARS

(Continued from Page 4)

an oligarchy of the "we."

Jim Farley says that the "we" team of horses is going to make a "lead horse" of the independent Supreme Court. Jim must be bluffing—or Attoney General Cummings must be wasting his time and that of his hired help.

It doesn't seem reasonable that Jim would tour the solid Southland, as he did just recently, rousing sectional prejudice and calling the opposition to the court packing plot "enemies," if he was so blandly confident as he seemed to be when talking to the folks back home.

* * *

And Jim uses careless language, even when talking to childhood friends. He said:

"We have plenty of votes to put this over."

Did he mean "put this over on the American people"?

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No farm tax exemption, even in drouth years.
—*Acme Picture.*

Farm Land Taxes F
Farm Incom

FARM taxes are surging upward to the high level of 1929 although cash farm income is 25 per cent less than in 1929.

This astounding disparity is due mainly to the fact that state and local governments still depend on an unjust general property tax for more than 75 per cent of the total tax revenue collected.

Why the farmer suffers mostly from the general property tax is not far to seek. In the first place the tax has nothing to do with the income of the taxpayer. In the second, at least three-fourths of the tax-assessed land in the United States is farm property.

No matter how hard the unfortunate farmer is hit by drouth, floods, dust or hard times he is still forced to pay this tax or he finds himself auctioned out of his home.

The same tax is scarcely felt by big corporations. Industrial concerns are often exempted from the property assessment by local governments as an inducement to make the manufacturers locate in the community and increase employment.

Property Taxes Climb Upward

The appalling increase in general property taxes is shown in the following table compiled by Farm Research in the March issue of Facts for Farmers:

Increased Levies of General Property Taxes

(Totals are for all state and local governments in U. S.)

1880	**$ 313,921,000**
1902	**724,737,000**
1912	**1,349,841,000**
1922	**3,503,725,000**
1932	**5,026,763,000**

Even those corporations which are not able to escape general property taxes are not worried much by it. The tax which the corporations cannot escape and which concerns them the most is the federal income tax. It is levied on net profits, allowing a leeway not enjoyed by farmers.

"I believe in the simplification of government and the further lifting of crushing taxation from the slender revenues of the laboring class."—Principle Fourteen of Social Justice.

"In the United States, we have never planned a system of taxation. Our whole tax history has been one of piling one tax on top of another. Our government authorities have been much more zealous in their search for new revenues than for ways of reducing old expenditures."—William Bennett Munro.

Farm Tax Up 43 Per Cent

In 1932 the federal government received from corporations only $277-million, or about 5½ per cent of what was collected through the general property tax.

But here is the point—corporate income taxes (levied on big business) dropped 65 per cent from 1922 to 1932, while the general property tax (paid mainly by the farmer) increased 43 per cent!

According to figures computed by the United States Treasury, corporation taxes were 76 per cent less in 1932 than in 1929. Meanwhile, the United States Department of Agriculture reports that during this same period the tax per $100 of farm value rose from an average of $1.19 in 1929 to $1.50 in 1932!

If the farmer's income rose accordingly, these figures would not be so alarming. But such was not the case.

Agriculture's share of the national income dropped from 9.1 per cent in 1929 to 5.7 per cent in 1932.

Further Increase Seen for 1937

In other words, farmers, comprising one-third of the nation's population, were getting, in 1932, about one-twentieth of its total income.

The situation is even worse today for farm taxes are again rising. There was a tax increase of from 2 to 4 per cent last year and the Department of Agriculture gloomily predicts further increases for 1937.

"I believe in broadening the base of taxation according to the principles of ownership and the capacity to pay."—Thirteenth Principle of Social Justice.

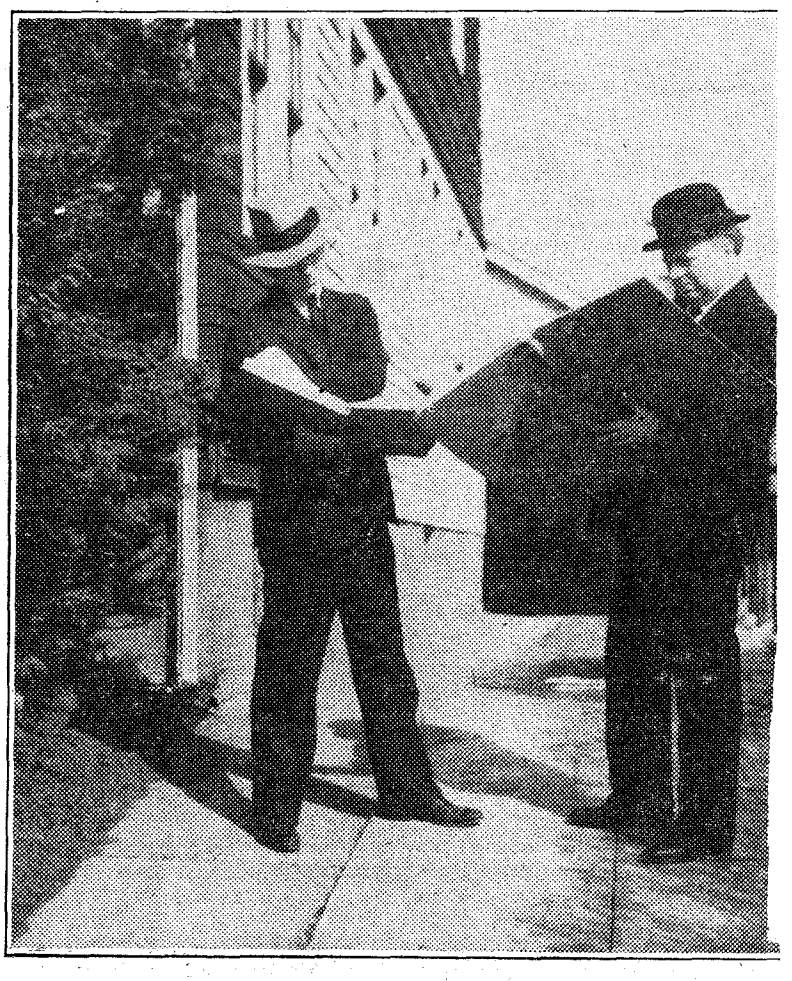
Following is a table showing the trends in total property tax levies in Iowa, a typical farm state, during the period from 1927 to 1935:

1929	**$110,000,000**	*High Year*
1934	**76,000,000**	*Low Year*
1935	**106,000,000**	

Farmers Forced Into Arrears

The figure for 1935 includes an added assessment of new taxes amounting to $17,000,00 seen from the above th erty tax in Iowa is alr the high point of 192 to reports, a further $1,000,000 is being requ budget committee of th lature.

Widespread delinque payments by impoveris has, of course, resulte



The Assessors —Ew

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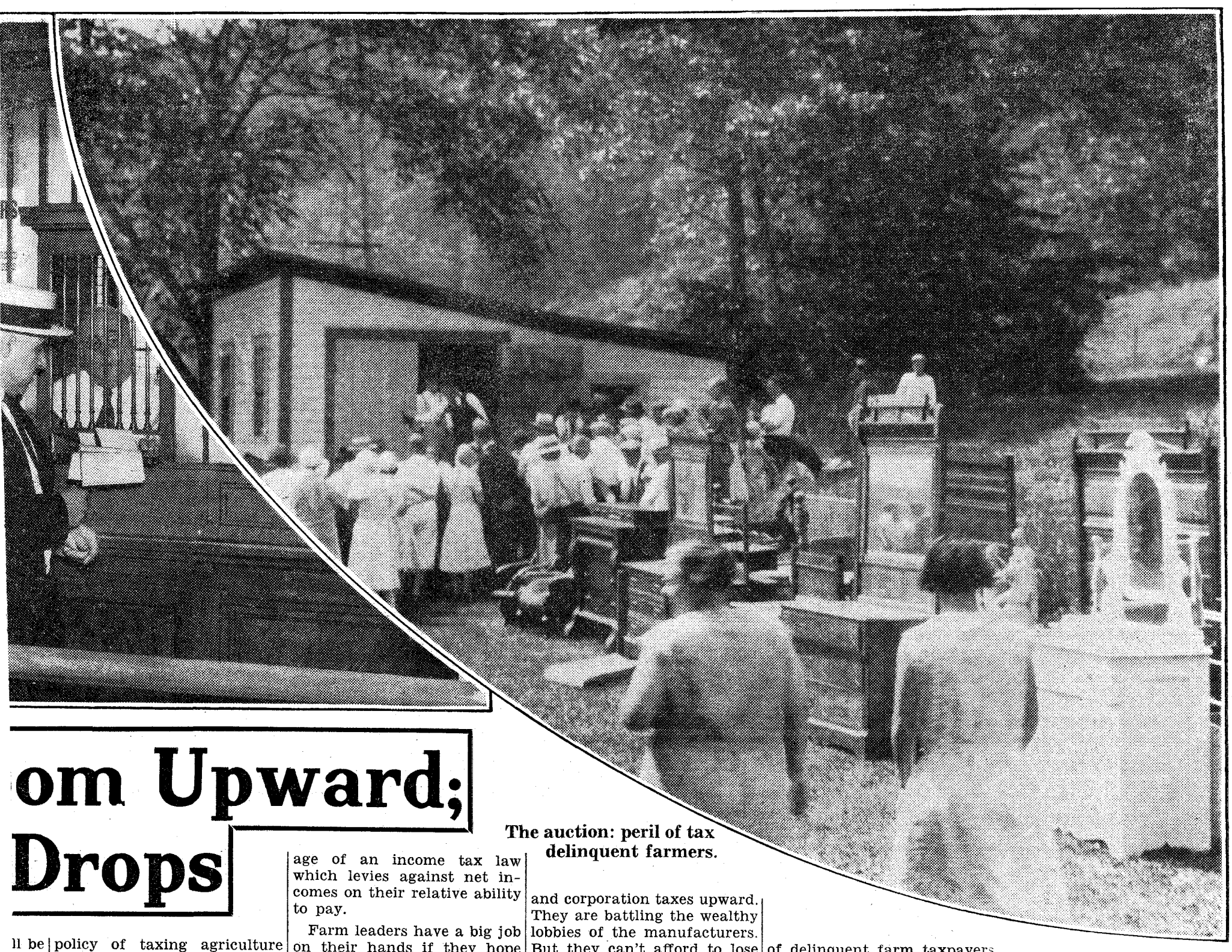


The auction: peril of tax delinquent farmers.

om Upward; Drops

ll be rop- k to ling of the gis- tax ners the ay.

policy of taxing agriculture instead of big business.

Militant farm groups are calling attention to this injustice in the legislatures of several farm states. Two organizations, the National Farmers' Union and the National Farm Holiday, are vigorously supporting graduated land taxes and homestead exemption acts.

The Holiday played a prominent part in the passage of the Minnesota Homestead Exemption act, a measure of much merit. It exempts the first $4,000 of appraised value from all general property taxes and calls for a graduated tax on properties valued higher than that.

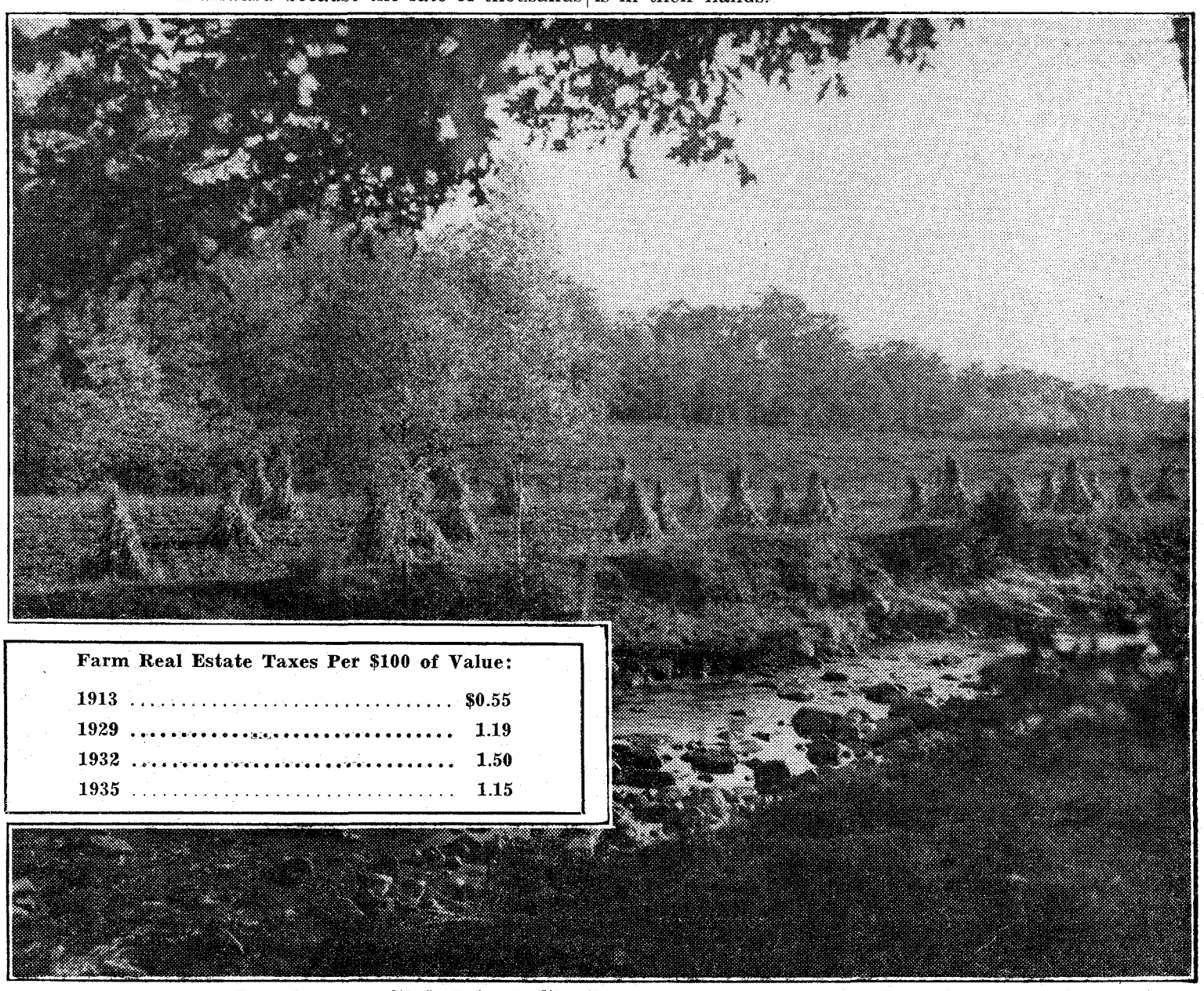
Ohio Demands New Tax Law

Thus, a city or farm homestead worth $4,000 pays no tax; a $6,000 farm or home pays only on the value above $4,000, and so on. The act is calculated to secure as high an exemption as possible for the farmer and to force industry to pay the reduced revenues.

> "I believe in the recall of all non-productive bonds and therefore in the alleviation of taxation."—Eleventh Principle of Social Justice.

In Ohio, the strong Farm Bureau of that state has employed a principle of social justice in its demand for passage of an income tax law which levies against net incomes on their relative ability to pay.

Farm leaders have a big job on their hands if they hope to scale farm taxes downward and corporation taxes upward. They are battling the wealthy lobbies of the manufacturers. But they can't afford to lose because the fate of thousands of delinquent farm taxpayers is in their hands.



Farm Real Estate Taxes Per $100 of Value:	
1913	$0.55
1929	1.19
1932	1.50
1935	1.15

Even farmers with lush lands, like the above, are tormented by tax evils. *—Brown Picture.*

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Critics Next if Executive 'Gets' Court

Frank R. Kent in the Baltimore Sun

"Whatever its outcome, when the history of President Roosevelt's attack upon the Supreme Court is finally written it is likely to be traced back to the incident which resulted in the so-called Humphrey case.

"This case was decided by the court the same day the NRA opinion was handed down, but because of the overshadowing importance of the latter received relatively little public attention. Yet the Roosevelt attitude, as revealed in his letter to the late William E. Humphrey, is so identically that which he now has toward the court that the ground for considering it the true genesis of the present struggle is clear. . . .

Didn't "Go Along"

"Mr. Humphrey, it will be recalled, was the member of the Federal Trade Commission whom Mr. Roosevelt summarily removed, without charges, trial, or hearing. This is what he wrote to Mr. Humphrey, and it is as revealing a part of the Roosevelt record as exists: **'I do not feel that your mind and my mind go along together.** I feel that the aims and purposes of the administration with respect to the work of the commission can be carried out more effectively with personnel of my own selection.'

"To all intents and purposes that is precisely what he is now saying to the court. Its mind has not 'gone along' with his; therefore he proposes to change its personnel so that its mind will 'go along.'

"When this presidential attitude was revealed to Mr. Humphrey in 1933, he resisted. First he refused to resign and when removed, through his counsel, Colonel William J. Donovan, went to the court, contending the president had no right to remove him. Before the case got to the Supreme Court Mr. Humphrey died, but Colonel Donovan continued to fight and **the Supreme Court by a unanimous vote sustained him.** It emphatically asserted that Mr. Roosevelt lacked the power to dismiss members of these quasi-judicial boards, created by Congress, solely because their minds did not 'go along' with his. . . .

Newspapers "Next"

"The only thing lacking to make his power complete will be power over the press, and those who do not think that that will be his next step have not read what the unfortunate Dr. Stanley High wrote when he was high in presidential favor and before he was thrown out of the White House window for being indiscreet. Nor do they have any conception of the feeling of Mr. Roosevelt toward those newspapers and critics whose minds do not 'go along' with his. Compared with his feeling toward them, his feeling toward the late Mr. Humphrey and even toward the court is one of affectionate and admiring regard."

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Don't Blame Court, Says "Bill" Lemke

Editorial in the Detroit Free Press

"Congressman Lemke's comment on the Supreme Court's action in upholding the constitutionality of the second Frazier-Lemke Farm Mortgage Moratorium Act is worth remembering.

"The first Farm Mortgage Moratorium Act was invalidated by the court, Justice Brandeis delivering the funeral oration.

"The measure was then rewritten and re-enacted, and when it again came before the court on Monday its constitutionality was confirmed, without dissent, Justice Brandeis again delivering the court's opinion.

"Congressman Lemke remarked:

> "'I was convinced that the court would uphold the Mortgage Act the way it was written the second time.
>
> "'I believe that if Congress would take more pains with its measures and do less complaining when they are invalidated, fewer would be declared unconstitutional.'

"The Supreme Court ought not to be blamed for the consequences of the careless and slipshod legislation so clearly imputed to Congress in that pertinent statement."

Coast's Tory Press Taken to Task

From the Herald of Alhambra, Calif.

"Just why a great, powerful, and sometimes very excellent newspaper like the Los Angeles Times should adopt the expedient of publishing half-truths when furnishing its readers with current news is food for serious thought.

"Pope Pius, in his recent communication, made a plea for close adherence to high ideals, as a means for the attainment of better standards in life. He was equally emphatic in warning against the encroachment of Communistic thought. The Times faithfully reported that portion of the pope's message.

"What the Times did not publish was that part of the document in which the pope made a plea to the employers of the world to pay their workmen a living wage to enable the sweating toilers to rise above the mental unrest and insecurity that now holds them—a condition that causes men to grasp for relief from any source—a fruitful hotbed for the propagation and development of Communism.

"Coloring the news by the use of half-truths is unfair. . . . Half of the truth is not enough; it has the elements of cowardice, smacks of expediency and undermines the confidence of thoughtful readers."

—Lewis in Milwaukee Journal.

"Rotten Apples Spoil Their Companions"

Sen. Minton Writes Home

Directs Reply to Supreme Court Protest To Revolutionary General Dead 119 Years

Senator Sherman Minton of Indiana may be a first class proponent of President Roosevelt's Supreme Court reorganization, but he doesn't know much about American history.

The regent of General Arthur St. Clair chapter of the Daughters of the American Revolution telegraphed Senator Minton opposing the "packing" of the Supreme Court.

General St. Clair was a Revolutionary officer who died 119 years ago, but the Senator answered the Indiana protest by addressing the letter to "Gen. Arthur St. Clair."

Apparently either Minton or his secretary had forgotten that Gen. St. Clair fought with Washington at Trenton and Princeton and that he was president of the Continental Congress of 1787, writes a capital correspondent of the Milwaukee Journal.

Minton received the following letter in reply:

> "I am a member of the Gen. Arthur St. Clair chapter, Daughters of the American Revolution, composed of representative Indianapolis women who have protested against the president's Supreme Court ideas. I have seen your reply, regrettably fallacious, and addressed to 'Dear General.' I would beg to inform you that the general, worthy patriot that he was, has not been accessible to letter writing since his death in 1818. Even the envelope is addressed to 'Gen. Arthur St. Clair.'
>
> "One would suggest that you might read up on General St. Clair, first governor of the Northwest territory, of which our state was a part. Let no Indianian make the state ridiculous by lack of knowledge of his life, and especially the fact that he isn't still living."

All of which causes SOCIAL JUSTICE to venture the hope that some of these protest letters may actually reach Senator Minton, who on March 24, in an exuberantly confident speech to the United States Senate, remarked:

> **"I think I know what the people of Indiana want; and if I know what they want, I think they want the program of Franklin D. Roosevelt carried out."**

Might we suggest that the Senator ask some of his constituents what they really do want?

A "Sit-Down" Congress

From the Newport County Sentinel, Tiverton, Rhode Island

"The Congress of U. S. A. has more power than any legislative body in the world, if the members would use it. We agree with Rev. Coughlin that labor and capital have a right to demand that Congress act —and soon!"

"If People Understood Money, They'd Revolt"

(Continued from Page 5)

by this I mean to refer to the crime of 1920, the greatest crime that was ever committed against the people. **This crime was committed at 12 o'clock noon on the 18th day of May, 1920, in the office of Governor Harding, governor of the Federal Reserve board of the Federal Reserve Bank,** where a secret meeting was being held, consisting of 53 of the large banking representatives of the United States, international bankers, and representatives of Wall Street.

"We now have the records of the minutes of that meeting. There is no longer any question about it. It is strange that the people of America have not long since known exactly how it is, and why it is that this disastrous calamity, the depression, was brought upon us. This was the 25th time that we had suffered from these depressions all coming from the same source, all man-made. Every depression is man-made **and yet we did not understand.**

"Today, we are sitting upon the largest pile of gold that was ever accumulated in the history of the world in any nation; actually sitting upon this pile of gold, surrounded by all the natural resources that an Almighty God could give to man, in a nation with unlimited credit and unlimited wealth, and yet the farmer is losing his farm, and the laboring man is losing his home. Fifteen thousand banks failed, destroying eight billions of the people's savings. And all about us there are bankruptcies and misery and want and despair, soup kitchens and bread lines.

Revolt if People Knew

"How can it happen? There is only one reason. It is because they had that meeting on the 18th day of May, 1920, in Governor Harding's office **where they took away from the people their money, the lifeblood of trade and industry and the wheels of commerce.** I wish I could shout this from the mountain top until the people of our great nation might know and understand. I assure you that there would then be a change before morning if the people only knew.

"It was Henry Ford who said in substance this: 'It is perhaps well enough that the people of the nation do not know or understand our banking and monetary system, for **if they did I believe there would be a revolution before tomorrow morning.**'

"From the records of this meeting we know that John Perrin of California, arose and suggested that we could take away from the people two billions of their money, money that measures the sweat and brow of man, money that measures the remuneration of labor and the products of labor, according to its own abundance by comparison.

"They wanted to make money scarce, as thereby they could increase the purchasing power of interest, so it would crowd down the price level of labor and the products of labor, and so that interest could buy more, as it was a fixed charge.

Even Bankers Protested

"The Comptroller of the Currency and two of the big bank representatives there objected strenuously because they thought it too drastic a measure, but they were in a vanishing minority. These (Federal Reserve) bankers meant to crush down the price level. **They did not mean to destroy the government exactly.** No; they rather disregarded the government and disregarded the people. **All they wanted to do was to enrich themselves.**

"My friends, you cannot crush down a price level after you have done business for a number of years on a certain price level. You bought and sold your farms and homes and goods on the shelf. Every obligation and future contract is based on this price level. **You cannot crush a price level down unless you bring in return to the people starvation and deprivation and misery and want and soup kitchens and bread lines.**

"Let me repeat the words of Governor Harding: 'We must have a reduction in credit, a credit contraction (meaning thereby taking the money out of circulation). **This is a drastic remedy, but we believe it is necessary.**'

"We now know that this was a drastic remedy. We know, too, that it was not necessary except for those who wanted to enrich themselves at the expense of suffering humanity."

—Representative Charles G. Binderup of Nebraska.

But Mr. Morgan replied: "The bonds are due!"

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Coal, Auto Strikers Back on Job

But Former Work Rules Still Prevail

The happiest note struck in the settlement of the Chrysler and soft coal strikes was the opportunity afforded 85,000 auto workers and 300,000 miners to return to their jobs.

Other issues were dramatized, there was much fuss and cry about "recognition" and "collective bargaining," but the dominant concern of the workers themselves was to get back to work as quickly as possible.

In this the miners were the more fortunate, being out only one day, while the Chrysler employes were idle 29.

Intelligent laborers are aware that, under the leadership of the charlatans who currently speak for labor, there is very little to be gained in a walk-out or a sit-down. Experience has taught them that, somehow or other, they are invariably short-changed by these leaders.

They often are compelled to return to the job and accept the very same work conditions which they struck to improve, and not infrequently they fare worse.

Unjust Mine Wage

SOCIAL JUSTICE will always defend and encourage the right of a laboring man to strike against the treachery of selfish employers. At the same time, it can not endorse the treachery of racketeer leaders who sell their followers down the river in a mediation conference.

We have never heard John L. Lewis demand a living, annual wage for the union workers he represents. His main concern is to become the exclusive bargaining agent of all workers in industry, whether they choose to follow his leadership or not.

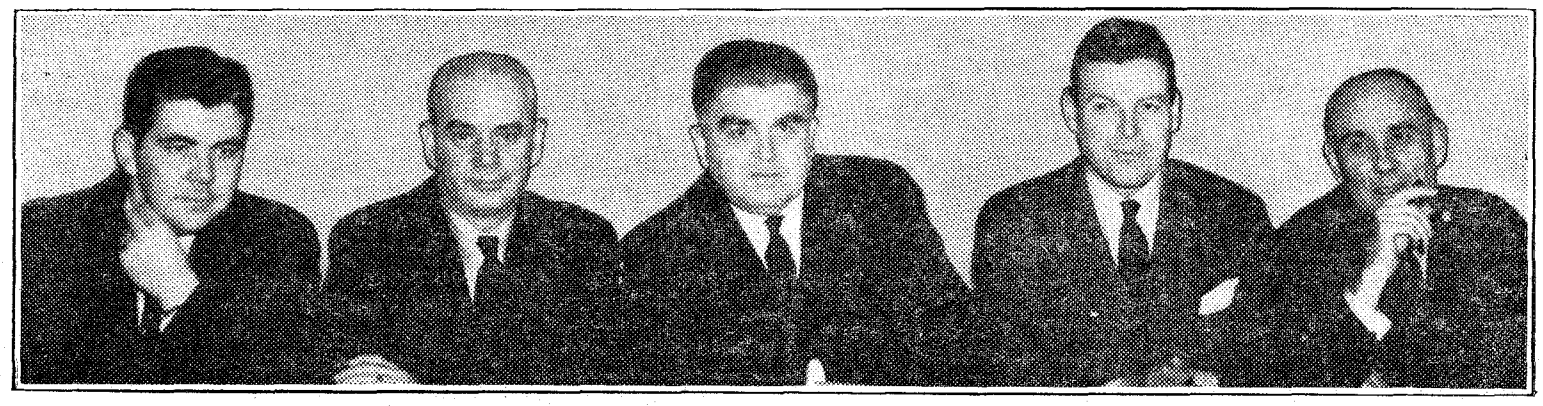
A living, annual wage combines both high wages and the guarantee of steady employment throughout the year. The $6 daily wage which the soft coal miners will receive in the coming year certainly does not come within the definition of a high wage. It is all the more inadequate when one considers that a miner faces death every time he descends into the pit.

Nor was the other component part of the living, annual wage — steady employment — assured the miners in the contract Lewis signed for them. The mine chief was unable to win a guarantee of at least 200 work days a year for the union.

Sees Auto Check-Off

Lewis did not, however, fail to win a continuation of the "check-off," which was in the interests of himself and other union leaders, and which insures the steady payment of union dues by requiring mine owners to deduct those dues from the pay envelopes of the miners.

The C. I. O. dictator will introduce the same system in the auto industry when that is thoroughly organized. The time is not yet ripe for such a bold step. But Homer Martin, president of the auto workers' union, has publicly predicted that it will be a part of the auto union platform in future contracts.



MINE UNION BOARD OF STRATEGY—John L. Lewis, president of the United Mine Workers of America, and other union officials, as they met in New York to draft a new wage agreement for the soft coal industry. Left to right: Edward A. Lynch; Philip Murray, vice president of the mine union; Lewis; David J. McDonald, and Charles Adamson.

—Wide World.

Auto --- STRIKE BOXSCORES --- Coal

DURATION OF STRIKE: Twenty-nine days.

GAINS FOR LEWIS UNION: The Chrysler corporation recognizes the United Auto Workers of America and agrees not to interfere with the right of its employes to join the union.

The corporation will not exercise "discrimination, interference, restraint or coercion" against members of the union because of such membership.

Corporation also agrees not to engage in counter-activities to the union, "for the purpose of undermining the union," by aiding, promoting or financing a plant union.

LOSSES TO UNION: The corporation agrees to bargain with the union only to the extent of its membership. The principal objective of the U.A.W., the demand that it be considered as the representative of all the workers, was not gained.

The settlement agreement stipulates that the term "employe" shall not include plant protection employes, timekeepers, foremen, assistant foremen or confidential salaried employes.

OTHER TERMS OF SETTLEMENT: The union agrees not to "intimidate" or "coerce" employes, and not to solicit membership on company time or property.

The union agrees not to cause, promote or participate in a strike during the tenure of the peace contract.

The contract will remain in force for one year, until March 31, 1938.

The corporation agrees to resume operations as soon as possible and to re-employ workers in accordance with seniority rules and without discrimination for participating in the strike.

Corporation and union agree to seek dismissal of the corporation's injunction and the union's cross-bill in the courts.

NUMBER OF WORKERS AFFECTED: About 60,000.

Michigan Assemblymen Ban Sits; Ford Prepares

THE NATION—Stay-in strike remains paramount labor issue as the spotlight shifts from Michigan to Washington. . . . Michigan senate passes two resolutions against sit-downs, one making it a felony to participate in such a strike, and the other making it a felony for an employer to negotiate with sit-downers. . . . By a vote of 75 to 3, the United States Senate adopts three-fold resolution against the sit-down, company unionism and industrial espionage . . . Governor Murphy's settlement plan ending the Chrysler strike is hailed by industrial and labor leaders as the Reo and Hudson strikes are settled on virtually the same terms.

* * *

WASHINGTON, D. C. — William Green, president of the American Federation of Labor, and John L. Lewis, head of the rival C. I. O., resume hostilities in statements apropos the sit-down. . . . Green declares: "I publicly warn labor against this illegal procedure. Both personally and officially, I disavow the sit-down strike as a part of the economic and organization policy of the American Federation of Labor." . . . Lewis replies: "Green's statement is characteristically cowardly and contemptible."

* * *

CLEVELAND, OHIO. — Four men are injured in a melee involving members of the Committee for Industrial Organization and the American Federation of Labor at the Electric Vacuum Cleaner plant. . . . Test of strength between two labor factions comes to violence stage after plant is closed in jurisdictional dispute. . . . Company has contracts with A. F. of L. unions, but the C. I. O. has been engaging in organization work.

* * *

AKRON, OHIO.—National Rubber Machinery Co. is awarded million dollar contract for tire manufacturing machinery by the Ford Motor Co. . . . Ford is expected to set up the equipment in his Detroit plant in a move to forestall possible union efforts to close him down by a tire workers' strike. . . . Meantime, many workers in the Ford Kansas City plant are sporting union buttons after a one-day sit-down strike.

* * *

JERSEY CITY, N. J. — Union Packing Co. recognizes its 200 employes as partners by a decision to disburse monthly dividends, to the extent of 15 per cent of the profits, to the workers. . . . Announcement is made by Joseph Gross, president. . . . Jubilant employes estimate their monthly share will range from $5 to $20 each for butchers, and $18 to $75 for managers of 50 chain meat stores in New Jersey and New York.

Lewis Roils a Lady Foe; Fight Brews

John L. Lewis has picked a brand new quarrel that has nothing to do with the labor question, and this time observers believe he is leading with his chin—for his adversary happens to be a woman.

The locale of the battle is Alexandria, Va., where the union leader lives, and the lady in the case is Mrs. Bernice Flemming Holland. Mrs. Holland was recently represented in the news as being perplexed by the announcement that the home in which Lewis lives, one-time dwelling place of George Washington's physician, was to be one of the show places in a spring tour of historic homes.

Everybody figured that the controversy had been settled when Lewis, apparently riled by remarks attributed to Mrs. Holland, sent word to her that he was withdrawing his home from the tour. Mrs. Holland and her church group, sponsor of the exhibition, failed to reckon, however, with the possibility that the labor czar might betake himself to an even more historic house in Alexandria. And that is his plan. His present lease will soon expire, and he has bought the house where Light Horse Harry Lee is said to have delivered a famous oration on the occasion of George Washington's death.

The church women are very jittery. They are awaiting word on the next step from Mrs. Holland, who is sunning herself in Florida.

DURATION OF STRIKE: One day.

GAINS FOR MINERS: (1) A pay increase of 50 cents a day. This advances the wages of miners in northern coal fields from $5.50 to $6 a day, and the wages of southern miners from $5.10 to $5.60.

The pay raise will bring no material benefits to the miners, considering the high cost of living. For instance, the $6 the northern miners are to receive has less purchasing power than $5.50, the former mine wage, had last year.

The increase is inadequate both from the standpoint of the ever-rising cost of living and the dangerous nature of the miners' work. Furthermore, the pay increase is not coming out of the pockets of the mine owners. It will be levied on the consumer, for the mine operators have announced that the price of soft coal at the mine will be jumped at least 25 cents a ton.

(2) Time and a half will be paid for overtime. This feature was inserted in the settlement contract at the behest of John L. Lewis, who wanted a talking point in his drive to organize other industries under the C. I. O. Only a handful of miners will be affected by the overtime provision because the mine operators seldom allow work to proceed past the whistle..

LOSSES TO MINERS: The miners lost a fight to reduce the work week to 30 hours. The new contract calls for a continuation of the 35-hour week which was in effect under the old contract.

The miners also lost a battle to win a two weeks' vacation with pay and a guarantee of at least 200 days of work a year.

NUMBER OF WORKERS AFFECTED: About 300,000 miners in the Appalachian area.

STATEMENTS ON SETTLEMENT:

Charles O'Neill, chairman of the operators' delegation at the strike conference — "The agreement is justified by the economic trend of the times."

John L. Lewis, mine union leader — "Eminently satisfactory."

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If You Wait Much Longer You'll Be One Who Says: "It Might Have Been"

Questions For This Week

Picture No. 35

Picture No. 36

MAKE YOUR SELECTION BY NUMBER FROM THE FOLLOWING LISTS

1. Gold
2. Silver
3. Copper.
4. Federal Reserve Bank Notes.
5. Wealth.
6. Beads.
7. Labor.
8. Anything commonly used as a medium of exchange.
9. Promissory notes.
10. Stock certificates.
11. Legal tender.
12. Government bonds.

1. Because it consists of dictatorship by one man only.
2. Because it denies the right of private ownership of property.
3. Because it favors the cause of labor.
4. Because it could not exist under the Constitution of the United States.
5. Because it is anti-Christian.
6. Because it is fundamentally atheistic.
7. Because it is equivalent to a monarchy, and Christianity, as known in the United States, could not thrive under a monarchy.
8. Because under Fascism there can be no freedom of religion.

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 35 For Question No. 35 I Select Answer No..... ☐ No. 36 For Question No. 36 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS .....

TOWN OR CITY ..... State.....

AN EXTRA COUPON FOR A FRIEND OR RELATION

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 35 For Question No. 35 I Select Answer No..... ☐ No. 36 For Question No. 36 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS .....

TOWN OR CITY ..... State.....

Among the saddest words in any language are: "It might have been."

Is this what you will say about yourself when more than $7,000.00 worth of prizes are awarded in our "KNOW SOCIAL JUSTICE" Contest?

Will you upbraid yourself with the thought: "Well, I might have won that Grand Prize of $2,500.00, if I had the foresight to enter the Contest and the perseverance to complete my solutions."

If you are already entered in the Contest—you have no such fear. ANYBODY CAN WIN. You KNOW you have an opportunity to win the Grand Prize of $2,500.00 or the Second and Third Prizes carrying both cash and automobiles equal to that of any other person in the great competition. YOU HAVE ONLY TO PERSEVERE TO THE END.

But, if you are NOT yet entered—

That's a different story. Unless you DO enter—and mighty soon—you will not only miss the chance to improve your knowledge of social justice, but NONE OF THE PRIZES CAN BE YOURS!

Now, there's a way to get around that situation:

Rules of Contest

1. Open to all readers of **SOCIAL JUSTICE**, except employees of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, December 21, 1936. Each picture contains a question concerning the principles of social justice laid down by Father Coughlin.
3. A Grand Prize of $2,500 will be awarded to the reader of **SOCIAL JUSTICE** returning the best or most appropriate answers to the questions appearing in all 50 pictures and otherwise complying with these rules. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly coupon. *The remittance of 10* cents in coin each week is in payment for Father Coughlin's book, **"Money: Questions and Answers."** Purchase of this book is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties aditional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do **NOT** decorate coupons. Neatness will not count.
8. Any inquiry the reply to which could not affect outcome of contest will be acknowledged.
9. A contestant may send in any number of sets of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set will be entitled to one book for each set submitted.

You MUST send today for all past picture-questions!

Just use the Coupon on this page—the "Past Pictures Coupon" below. That will bring you all past pictures. Then you sit down for a few minutes on each picture until you have worked out them all, according to your knowledge of the social justice principles of Father Coughlin, and send them in.

YOU CAN WIN THE GRAND PRIZE OF $2,500.00 WHICH GOES OUT WITHIN ONLY A FEW SHORT WEEKS.

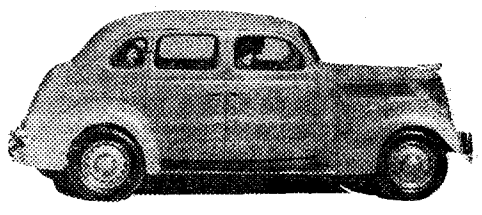
You can win the Second and Third Prizes of both cash and beautiful new automobiles.

ENTER TODAY — and help spread the "Gospel" of social justice to our fellow-countrymen. ENTER TODAY—and educate yourself in the broad tenents of Father Coughlin's sensible philosophy of economic life.

SO BY ENTERING NOW YOU CAN WIN THE NEAT FORTUNE OF $2,500.00.

YOU CAN WIN — IF YOU ENTER!

RESOLVE TODAY TO WIN



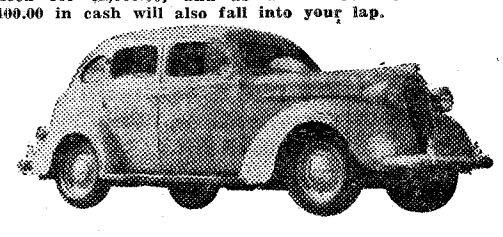
Spring has come! Soon we shall again be in the golden summer with its invitation to the enchanting outdoors. Those winding, shining pavements through the hills and under the trees will soon be beckoning to you. And you'll sigh for a new car. YOU CAN WIN ONE IN THE "KNOW SOCIAL JUSTICE" CONTEST. A brand new Ford, Chevrolet or Plymouth sedan can be yours just for a few hours of entertaining work on the contest questions. Not only that—as winner of the Second Prize you will also receive our check for $1,000.00, and as winner of the Third Prize $400.00 in cash will also fall into your lap.

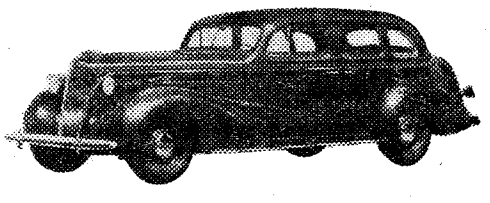
Grand Prize $2,500.00

SECOND PRIZE $1,000.00
And the Choice of a
Ford, Plymouth or Chevrolet Sedan

THIRD PRIZE .....$ 400.00
And the Choice of a
Ford, Plymouth or Chevrolet Sedan

FOURTH PRIZE .....$ 100.00
Four Prizes of $50.00 Each
100 Prizes of $10.00 Each
260 Prizes of $ 5.00 Each





Mail This Coupon Today!

"CONTEST EDITOR,"
SOCIAL JUSTICE,
ROYAL OAK, MICHIGAN.

I wish to enter the "KNOW SOCIAL JUSTICE" Contest at once and be on an even footing with all other contestants.

Please send me, free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

Town or City..... **State**.....

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The People Speak....

Strikers Now Earn More Than Farmers

To the Editor:

We do not doubt that in some regions wages are altogether too low and employers of labor are exploiters, but in Michigan, in the General Motors factories and others, the men make far more clear money than many, many farmers. Wages and hours must be satisfactory, for it's quite impossible to secure a farm hand or a girl for the kitchen.

Farmers can't compete now with factory prices and still they strike and demand increases in pay.

It looks to me as though wages just now are not cutting so large a figure as the idea that **they want to do all the bargaining and they want no one to work unless he belongs to their union.** I believe in unions and bargaining, but not in unions as they are run by Lewis and Green.

—Mrs. L. C. Wheeler.

Holly, Michigan.

Chrysler Worker Tells Conditions

To the Editor:

From talking with my fellow employes in the Chrysler plant, I find that most of them know little about either the Constitution or the workings of our government. They know practically nothing about their congressional representatives.

Some of them joined the United Auto Workers for the same reason, but plenty more did so because, if they didn't, they would be called a scab by their fellow workers.

Since our recent increase, we are better paid than even General Motors employes are since their strike, and better treated, but we still do not get an annual living wage.

—R. J. H.

Detroit, Mich.

We Want Justice With Good Order

To the Editor:

The article in SOCIAL JUSTICE concerning Mr. George E. Johnson and his personal interest towards labor and social justice is a realistic tableau of Christian principles.

Being a shoe worker and having had much experience with manufacturers, I find Mr. Johnson's method and scale of wages deserves a eulogy of praise.

As for John L. Lewis, he is barred from Haverhill, Mass. We have enough troubles and his middle name spells strikes, with disturbances, unrest and bargaining for worse results. When I see these men on a platform in a hall, issuing fiery speeches, trying their best to ignite the audience of workers into violent and noisy rebellion, I'd like to shout at the top of my voice, **"We are not a pack of wolves, but decent people and we want men to represent us who will seek justice for the workers in an orderly manner,** and who will present the workers' demands in a fair and diplomatic way." Harmony rather than discord, and tact instead of bluster. I firmly believe in order and the cause for a living annual wage. This is what we all want.

We want a decent living for honest work and not in exchange for all our strength. We want time for the pursuit of intellectual culture. To give all and receive nothing but a temporary, measly pay envelope is not living.

Father Coughlin's teachings have been a source of knowledge to me on governmental affairs in general. The few discourses I have heard delivered by him over the radio have been a real eye-opener. Now I find my whole interest vested in the paper, SOCIAL JUSTICE. I have read it from the first edition. Every Sunday I peruse the paper with serious reflection and interest. Its foundation is solid and true to my ideals, which are truth and Christian principles. You cannot offer any nobler tribute to humanity.

—Maria Albina Therrien.

Haverhill, Mass.

Good Word For George F. Johnson

To the Editor:

What a beautiful illustration of "Christianity in Action" as practiced by Mr. George F. Johnson, we find in SOCIAL JUSTICE of March 8. He is a man to be loved by all. If only there were more men like him, how much better working conditions would be.

We have an Endicott-Johnson store in Peekskill. Most people employed in Peekskill can't buy shoes very often, even when they are needed, but any shoes I buy in the future, for myself or my family, will be at Endicott-Johnson's shoe store.

—Alice Blaick.

Peekskill, N. Y.

Nation's Deficit Is Character Lack

To the Editor:

America cannot stabilize its prosperity until it wipes out, not only its money deficit, but something more important, its character deficit.

I can only think of how the judicial section of the American Bar Association, about 1922, warned the wets who defied the law of the land that they were sowing dragon's teeth. The dragon's teeth have come home to roost now in Detroit. Wet anarchy led—and now we have labor anarchy.

The example came from leaders. The need is for an opposite example from leadership. Character first.

—E. T.

Cambridge, Mass.

Petition Congress For Living Wage

To the Editor:

I wondered what Father Coughlin's foes, especially those clergymen who called him radical and warned him for going too far, as a priest, on social subjects, thought when Pope Pius XI told the world in his encyclical that the one way to save labor from the clutching hands of Communism is the living wage.

I urge the readers of SOCIAL JUSTICE and followers of Father Coughlin to petition your congressmen for a living annual wage bill for labor. Now is the time to act before it is too late, as you can see now that these sit-down strikes are just a sample of the bigger things which will come if labor is not respected and the guarantee of the government is not promised to support them.

—Robert E. Bowen.

Bronx, N. Y.

Writer Looks For Surprise War

To the Editor:

After reading over George Graver's letter in SOCIAL JUSTICE, March 15, on the subject "What good will come from Father Coughlin's radio broadcast," I was lost in deep thought on this subject, till finally I got down my pad and pencil and started to write this.

As I see it, one of the outstanding advantages of Father Coughlin's radio broadcast and the paper SOCIAL JUSTICE is that they reach the eye and ear of the 60-million people who do not belong to any religion and keeps them posted on what is going on in America. Two-thirds of the National Union for Social Justice are non-Catholics who are becoming educated to the evils of the present day, while the majority of Catholics, including even some of the clergy, are asleep at the switch.

Another reason why Father Coughlin's broadcast is needed is that this year, 1937, is the year when the great war between godless Russia and Christianity will be fought to the finish. Moscow authorities have recently decided, for all time to come, that there is no chance to reconcile religion and Communism.

Moscow is working day and night on explosives and other war machinery, **so that by June, or at the latest, September, they can take Canada and the United States by surprise.** They will find us asleep at the switch. Not one in a thousand—priests, bishops, ministers, rabbis, editors—knows his Bible well enough to believe that the "time of the end" started in 1914. They have forgotten Cardinal Gibbon's statement in August, 1914, to a senator in Washington: **"The world war is a Scriptural war and the time of the end has started."**

The time is so short, and no united front is in sight, no real organization of combined forces. Our only salvation at this late date is to rally around Father Coughlin, support his radio broadcast, and read the newspaper, SOCIAL JUSTICE, for these two mediums not only teach the truth, but they point out error wherever it exists. This paper is independent and caters to no one. If we do not heed the signs of the times, we will have a duplication of Spain.

—A. J. McKinnon.

Indianapolis, Indiana.

Germany's Leader Peace Minded

To the Editor:

I was in Germany in 1924 and witnessed the social upheaval. The German, formerly orderly, had become a starved, ruthless being, marching all day long in processions through the streets, carrying red flags and singing the "Internationale." Teachers marched with their classes—seemingly everyone was a Communist.

Then came Hitler (appointed by von Hindenburg as his successor) and only through the most stringent discipline, brought the nation back to order—not for his own glory but for Christianity, which is the backbone of our western civilization.

I was again in Germany in 1926, '29 and '33 and saw how that misled and misruled country gradually emerged from the deepest misery and slavery. SOCIAL JUSTICE called Adolf Hitler "war-minded." He is just the opposite—he makes only peaceful suggestions. Germany is arming herself, but only for self-defense and because she is surrounded by Bolshevism.

—Mrs. Jenny Pfaffinger.

Toledo, Ohio.

Urges Donations To Lighten Load

To the Editor:

Are we doing enough for Father Coughlin by renewing our subscriptions, and securing new subscribers to read the golden pages of SOCIAL JUSTICE?

May I suggest to all who are reading these lines that you send in your contributions, large or small, to lighten that heaven burden on Father Coughlin's shoulders.

—E. B.

St. Louis, Mo.

Partisans Are Never Patriots

To the Editor:

Would a Supreme Court of 15 be any less dangerous to the liberties of the common people than a Supreme Court of four or six, or a lesser number? Any court or tribunal appointed by and operated under partisan control, and subservient to partisan power, could not be representative of all the people, and the last stage of a government of this character would be worse than the first; for no partisan was ever a patriot, and no patriot was ever a partisan.

President Lincoln was the last "patriot" to occupy the presidential chair. The common people and their interests have no friend at court, as long as partisan henchmen and political hirelings control the government of 130-million people.

Jesus Christ said, "Woe unto ye lawyers, scribes, pharisees and hypocrites, for you bind burdens on other people's shoulders that you would not touch with the tips of your fingers." And I think it the part of wisdom to have little or nothing to do with people whom Jesus Christ so forcibly condemned.

—O. D. Hill.

Kendalia, W. Va.

Father Coughlin Fighting Alone

To the Editor:

I want to extend to you my heartiest congratulations on the first anniversary of SOCIAL JUSTICE, and also to express to Father Coughlin my heartfelt thanks for starting this paper.

It is the best paper out. It gives the people facts which they should know, in a clean, clear-cut manner. I read it from cover to cover every week and would not be without it.

Father Coughlin is making people more government-conscious because of his talks and his editorials. May God grant him many more years to carry on his fight for the common people.

There has been too much criticism of Father Coughlin, in the past, but so far I have not heard of anyone criticizing his 16 principles. They don't want to forget that it was Father Coughlin who stood out all alone to fight for human rights of labor, for the farmer and for honest business, and he is still doing it.

—J. O.

Rochester, N. Y.

Is Lewis Tool of Interests?

To the Editor:

Is John Lewis working in harmony with the big interests, to corral all laborers and put them under his control? The big interests always control through some hidden force. They have built up large inventories and they want to create high prices.

If Lewis got all these people regimented, they would be forced to work under any and all conditions prescribed by him. If a skilled man got out of sympathy with Lewis, he is through forever. He could not work as an ordinary workman; he would be blackballed. Let any employer violate Lewis' orders by employing this workman and it would be too bad for him.

I cannot understand how anyone can favor giving all this power to any individual. The big interests, or international bankers, can use this force to destroy any and all of their competitors by seeing to it that production is stopped in their factories. Ford will be their first target. They can use it for stock market purposes. They can use it for the creation of price levels. The union can use this power to tyrannize, coerce and intimidate their members to social and political views. They can use their force to create mass action along communistic lines or towards fascism. That is how it was done in Europe and what have the workmen received in exchange — hunger, starvation and exploitation.

—Detroit.

Money Changers Need "King-Pin"

To the Editor:

Is it possible that the money changers have sensed the probability of a revolt against their abuses and are using Mr. Lewis to effect a dictatorship victory for themselves, using the workers in a sham battle of strikes, gaining strength after each sit-down? Their "king-pin" will be in a position to be elected president himself or elect any man he chooses.

Pack the Supreme Court now, so they can control it with the "king-pin." Have Congress bestow on the president power to act on every move of the masses.

I can't understand the favorable propaganda of the "kept press" meted out to Mr. Lewis and his actions. I can't understand Mr. C. M. Chester, president of the National Association of Manufacturers, offering a plan to permit presidential intervention in labor disputes unless they plan to put their man in as president in 1940 and keep him there for some time to come.

I can't believe that the money changers are not aware of the fact that, thanks to Father Coughlin, the masses are realizing that fat pay envelopes and high cost of living constitute a sham prosperity. I do believe they realize the people are going to demand action, so they are dressing up a nice labor revolt and planning to seat their "king-pin," as the people's choice, in the all-powerful presidential chair. Brophy and David Dubinsky are well known for their communistic ideals. But also remember that Dubinsky was a Roosevelt elector.

Now, we have the Democratic party a branch of the bankers' party, Mr. Roosevelt head of the Democratic party, Mr. Lewis in solid with Roosevelt, Brophy and Dubinsky chieftains of Lewis, with communistic ideals.

The bankers and their kept press used every possible means to destroy the National Union for Social Justice, an organization based on Christianity, and aided and abetted an organization with men like Lewis, Brophy and Dubinsky as its leaders. The reason is obvious. They couldn't buy Father Coughlin. We knew they tried. But could they buy the C. I. O. trinity?

What happens in 1940 will depend on us. Let's not be fooled. We have our choice between slavery under the bankers rule, under the rule of the international Communist, under the rule of a dictator, or freedom with social justice under a democracy. It depends on our action NOW and our wisdom then.

—Albert S. Olson.

Worcester, Mass.

We're Still Waiting, It Takes Patience

To the Editor:

We have been reading SOCIAL JUSTICE for about a year and we find it the most informative paper ever written, a paper which tells the plain truth.

There are people here and all over who do not believe in your paper. **But let them wait a little while longer and perhaps they will see that you are right in what you say.**

May God give you perseverance and strength to accomplish your noble work, though it must be very hard at times and you must be scoffed and ridiculed, like our dear Lord was when He died for us on the cross.

—Mrs. Wm. Royer.

Rudyard, Mich.

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Thomas 'Monetary Authority' Act to Regulate Dollar's Buying Power

Senator Thomas' bill for the stabilization of the buying power of the dollar is entitled:

"A bill for the regulation and stabilization of agricultural and commodity prices through the regulation and stabilization of the value of the dollars, pursuant to the power conferred on the Congress by paragraph 5 of section 8 of article 1 of the Constitution of the United States, and for other purposes. (Also known as S. 1990.)

The provisions of the Thomas bill are as follows:

Be it enacted:

Section 1. **Monetary policy:** Pursuant to the authority conferred in paragraph 5 of section 8 of article 1 of the Constitution, wherein the Congress is authorized to coin money and regulate the value thereof, the Congress does hereby declare that the monetary policy of the United States shall embrace, among others, the following principles:

(a) To coin and keep constantly available an adequate supply of sound money:

b) To regulate the value of the dollar so as to best serve the domestic economy of the people; and

(c) To place and keep in circulation a sufficient amount of properly valued currency to adequately supply the demands and needs of the people of the United States: Provided, That the regulation and stabilization of the value of the dollar shall be a fixed policy of the Government of the United States, and, in order to promote and give stability to agriculture, industry, commerce, manufacturing, mining, forestry, fisheries, employment, and other human activities, the regional Federal Reserve Banks and the member banks of the Federal Reserve System, under the supervision and direction of the Monetary Authority, shall cooperate in carrying out the policy and principles herein set forth and as provided by this act.

Section 2. **Creation of Monetary Authority:** The Congress, in order to vitalize the provisions of the Constitution and to carry into effect the monetary principles and financial policy set forth in section 1 hereof deems it necessary to, and does hereby, create the Board of Governors of the Federal Reserve System into a government agency to be designated as a Monetary Authority for the express purpose of regulatng the value of money: Provided, That the constitutional clause—regulating the value of money—shall be construed to mean adjusting the value of the dollar to that point which will serve the best interests and best promote the domestic economy of the people of the United States: And provided further, That said clause—regulating the value of money—shall be construed to mean not only the adjustment of the value of money, but also the stabilization of such regulated and adjusted value as hereinafter provided.

Section 3. **Dollar value control items:** The Monetary Authority, in regulating, adjusting, and stabilizing the value of the dollar as herein provided, shall take into account and give consideration to, among other things, the following:

(a) The amount of the annual total tax bills necessary to support the several units of government;

b) The amount of the annual total public and private interest items;

c) The amount of consolidated or massed debts, public and private, owned by the several units of government, corporations, and the people jointly and severally;

(d) The general price level and the relation of such price level to the tax, interest, and debt burdens resting upon the people;

(e) The interests of taxpayers, mortgagors, debtors, producers, consumers, wage earners, holders of fixed investments, and those who live on fixed incomes;

(f) The relation of the general domestic price level to the general world price level; and

(g) The relation of the value of the dollar to the values of the monetary units of the other governments of the world.

Section 4. **Standards and limitations:** Immediately upon the passage and approval of this act, the said Monetary Authority shall assume and exercise the powers herein delegated and conferred according to the standards and within the limitations herein set forth: Provided, That the said Monetary Authority is hereby authorized and directed to proceed without delay as provided herein to so regulate the value of the dollar as to raise the general price level to a point equal to the average of the general price level for the year 1926, as shown by the Bureau of Labor Statistics: And provided further, That, pending the regulation and adjustment of the value of the dollar to the 1926 level as provided herein, the said Monetary Authority shall proceed to investigate, consider and determine the proper value of the dollar as provided in section 3 of this act; And provided further, that the adjusted, regulated, and stabilized value of the dollar, as may be determined by the said Monetary Authority, as provided herein, shall not be at a point of value in excess of the average value of the dollar during the year of 1926, as shown by the said Bureau of Labor Statistics.

Section 5. **Equilibrium price level:** The Monetary Authority, in carrying into effect the principle of monetary policy stated in (b) of section 1 hereof, and after full consideration of said items (a), (b), (c), (d), (e), (f), and (g) in section 3 hereof, shall regulate and adjust the value of the dollar, as provided herein, so as to effectuate, produce, and bring about as nearly as possible, an equilibrium price level designed to serve the best interests of the people of the United States as mentioned in (e) of section 3 hereof.

Section 6. **Stabilization:** Immediately upon the completion of the regulation and adjustment of the value of the dollar, as provided herein, the Monetary Authority shall proceed to stabilize and thereafter keep stable as nearly as possible, the value of said dollar at the point of value so determined as provided in section 4 hereof: Provided, That in the regulation, adjustment and stabilization of such value at each point, the said Monetary Authority shall have all the authority herein delegated and conferred and, in addition, shall have all the authority heretofore delegated and conferred upon the Board of Governors of the Federal Reserve System.

Section 7. **Specific powers:** In order to carry into effect the principles of the Monetary Authority set forth in this act, the Monetary Authority, acting under the powers conferred herein and acting as the Board of Governors of the Federal Reserve System, shall have the following specific powers:

(a) Full and complete control over reserve requirements of member banks of the Federal Reserve System;

(b) Full and complete control over the discount rate at each of the regional Federal Reserve Banks.

(c) Full and complete control over eligibility of all kinds and classes of collateral to be accepted by the several regional Federal Reserve Banks, their branches, and other member banks of the Federal Reserve System; and

(d) Full and complete control over all open-market operations in all regional Federal Reserve Banks, both in the buying and selling of securities at home and abroad.

Section 8. **Monetary Authority statistics:** For the purpose of assisting in the regulation, adjustment, and stabilization of the value of the dollar the said Monetary Authority is hereby authorized to investigate, prepare and officially adopt, subject to the approval by the Congress, a system of statistics to be known as the "Monetary Authority Statistics": Provided, That in preparing such statistics, the Monetary Authority shall have authority to call upon other departments of the government for such statistics, data, and information as may be desired and requisitioned: And provided further, That pending the adoption of such Monetary Authority statistics, the said Monetary Authority shall make use of, and be governed by, the Bureau of Labor Statistics as provided herein.

Section 9. **Officers and employes:** In carrying into effect the provisions of this act, the Monetary Authority shall have power to appoint officers and employes, to define their duties, fix their compensation, require bonds of them, and fix the penalty thereof, and to dismiss at pleasure, such officers and employes. The said Monetary Authority is hereby empowered to adopt and promulgate such rules and regulations as it may deem necessary to carry out the provisions of this act.

Section 10. **Interpretation of delegated powers:** The powers conferred upon and delegated to the Monetary Authority herein created shall be construed to be a delegation of legislative powers conferred upon the Congress by paragraph 5 of section 8 of article 1 of the Constitution of the United States to regulate the value of money: Provided, That such powers so delegated shall be further interpreted and construed to be a delegation of such legislative powers to a governmental agency to carry out a fixed policy of the Congress according to definite and fixed standards, and within definite and fixed limitations, as set forth herein and as provided by this act.

Section 11. All provisions of the Federal Reserve Act of 1913, with amendments, including Title 3 of Public, No. 10, 73rd Congress, and amendments thereof, and other public acts of the 73rd, 74th, and 75th Congresses, when not in conflict and not inconsistent with the provisions of this act, shall be, and are hereby, continued in full force and effect.

Section 12. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, annually such sums as may be necessary for carrying into effect the purposes of this Act.

Section 13. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 14. The Monetary Authority shall report to the Congress annually such data, report of activities, and statement of policy as may be deemed in the public interest, and shall make recommendations to the Congress at its discretion relative to amendments of this Act.

Section 15. The short title of the Act shall be "The Monetary Authority Act."

With reference to the bill which I have introduced, I do not expect it to pass tomorrow. It may never pass. But the question of the regulation of the value of money is now uppermost. I realize that few, perhaps, understand the mechanism of money. It is difficult to get people to listen to one talk about money. Some people seem to think that money is an Einstein proposition. **They never did understand it; they never can understand it; they will never try to understand it.** But from my viewpoint, it is the most important question that confronts the Congress today.

—Senator Elmer Thomas.

Searchlight on the Money Changers

WASHINGTON, D. C.—The Treasury department, Henry Morgenthau presiding, has announced that it will construct a huge steel and concrete depository near the West Point Military Academy (West Point, New York) for the purpose of seeking greater protection for its silver hoard.

Already more than $1-billion in gold has been transferred to the new gold depository near Fort Knox, Kentucky. The balance is to be sent there for safe keeping in the near future.

The government first confiscated the nation's gold under the guise of "nationalizing" the gold of the country.

The American people never realizing what this was all about, the coup became highly successful. There is now no gold base for this currency—only paper or printing press government bonds—and to add insult to injury, the bankers had a gold vault built with the taxpayers' money AFTER they had robbed citizens of their gold.

Now the international bankers, operating through "Helpful Henry," are so sure of themselves that they announce the building of the silver vault BEFORE they "nationalize" the silver. We have about $1-billion in silver at the present time, or nearly 70 tons.

It is an old story in international finance. Gain control of gold and silver—then flood the country with paper money.

The present Federal Reserve notes are now printed by the billions with no monetary backing whatsoever. Their only backing is the top-heavy, immoral, usurious financial policy of the New Deal. Surely, the prelude before the crash is visible to those who can see—the lull before the hurricane!

Steel Prices Still Ahead

Iron Age, the chief trade journal for the steel industry, printed its estimates of the wage and price readjustments in the American steel industry arising out of the labor crises in the last few weeks.

Increased wages: $200-million a year.

Increased prices: $208-million a year.

Labor toils in vain to build a home or a nation while bankers can manipulate prices and juggle the living standards of men.

Bank of England Fortifies Vaults

LONDON, ENGLAND.—The Bank of England is being reconstructed to hold the nation's gold supply and, when completed, it will be virtually impregnable and the strongest building in the British Empire.

No one knows exactly how much gold there is stored in the Bank of England, except the elusive Montagu Norman and a few of his trusted confederates. The last statement they gave out indicates that they hold about 314,059,960 pounds.

The actual reconstruction has been in effect since 1925. For the last ten years, workmen have been engaged in the underground construction; now the upper part, which the public may see, is nearing completion.

Walls are 50 feet deep and eight feet thick. They are keyed into block formation so that they are bomb proof and dynamite proof. Behind this wall are double steel grilles weighing 18 tons. Miles of alarm wires and secret devices are in effect. An invader could be stopped at the touch of a button with thousands of gallons of water. The water system is controlled from three points—from a secret point within the bank building itself, from Scotland yard, and from the Governor Montagu Norman's home, a safe 10 miles away.

A philosopher has truly said: "Man digs for gold only to bury it again."

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Shh! There's a Big Game on-- Up in Morgenthau's Room!

A desperate "poker game" for control of the nation's credit, with the Federal Reserve System sitting in as the "house man" and with New Deal officials trying to conceal their losses from the public knowledge is reported to be progressing in an inner sanctum of the United States Treasury department.

Our treasury officials have been able so far to play their hand with no fear of a check-up on how much of the taxpayer's money is being lost, and without the necessity of the "double bookkeeping" Mr. Morgenthau is so famous for.

Why?

Because the government isn't compelled by law to reveal the disposition of public funds in this particular game in the daily treasury reports.

Why, again?

Because, rumor has it, the government is playing with money from the secret stabilization fund, the same $2-billion fund which was "confiscated" by Mr. Roosevelt in 1933 when he devaluated the dollar.

The Secretary of the Treasury, Mr. Morgenthau, is empowered to make any use of this money that he, in his finite wisdom, sees fit—**even to speculation on the stock market** — without accounting to the American taxpayers for his winnings or losses.

This, rumor further has it, is just what Mr. Morgenthau is doing. He is reported to have invested in American stocks on the foreign exchange.

The only way to substantiate this report is for Congress to require our treasury officials to disclose what is being done with the stabilization fund.

If this were done and the stock-investment reports verified as a consequence, Mr. Morgenthau's alibi would probably be that the dealing in American securities was done to check the possibility of an American crash. It would probably be argued that the foreign investors in American stocks couldn't cause a panic by sudden selling if the American government had bought up a sufficient quantity of these stocks as a sort of crash-insurance.

Who, then, is dumping American stocks if, as Wall Street sources contend, the United States government has already bought a great portion of the securities from our foreign friends?

Well, it must be the government. If Wall Street reports are true, then the government is doing the very thing now that Mr. Roosevelt warned us to expect from foreigners when he issued his famous "hot money" statement several months ago.

To get back to the poker game, large holders of United States bonds are reported to be "calling" every block of stocks that the government is dumping on the market by dumping their bonds—thus imperiling the nation's credit.

The Federal Reserve System meanwhile, operating in the traditional manner of a "house man," is profiting on this retaliation by buying up the government bonds at reduced values.

Buying them with what? With bright, new Federal Reserve notes because they now have the sole power to issue money. That is why they are "house man" in the game between the bankers and the Treasury Department.

Fifth of National Income This Year Will Be Taxes

If present statistics are an indication of present trends, 1937 will see $14-billion or one-fifth of the national income absorbed by national, state and local taxation.

This is the greatest amount of tax absorbed from the American income in recent years, and there is great probability that the country will continue to pay one-fifth of its income annually to be governed for the next several years.

In the height of 1929 "prosperity," combined taxes took about $10-billion from the $81-billion national income, or about one-eighth.

Taxes approached their present all-time high in 1932 when 10 per cent, or $7,500-million of the total $39,500-million, went to run the government. Last year's estimated national income of $58-billion was taxed to the tune of $10,500-million or about 18 per cent.

The national income for this year is expected to increase to $66-billion. The new federal budget contemplates a $7-billion income from federal taxation alone, and the combination of local and state taxes is expected to double the amount to about $14-billion.

The taxation is taken in ways where it is felt but not observed. With the millions of American dollars in hidden taxes being magnetized by the federal treasury, the only place where economy can be expected—or even hoped for—is in the United States Congress budget curtailment.

Thomas Bill Aims to Enact Principle Eight

(Continued from Page 1)

the Federal Reserve Bank of New York City, who without any mandate from Congress, so manipulated monetary and credit control that during those six years (1922-28), the commodity dollar did not sink below 97 cents or rise above 104 cents.

"This was an epoch of general prosperity," asserts Thomas, "and the government was able to retire its national debt at the rate of $1-billion a year." However, Governor Strong died in 1928. "With his controlling hand removed, the commodity dollar raced upwards, reaching 167 cents in 1932 and was undoubtedly responsible for the defeat of Hoover."

Federal Reserve Controlled It Once

Senator Vandenberg, Michigan, asked Senator Thomas from the floor of the Senate "whether Governor Strong could have done, from 1922 to 1928, what he did during that period if the government itself had been running at a constant deficit and financing its defiicits by borrowing"?

Thomas replied: "It would have made it harder for him, I will admit. The Constitution provides that the Congress shall have that power. No one else has the power to regulate the value of money. Some have assumed to use some power to do the job. If Governor Strong by his ability, his foresight, his knowledge of what the country needed and demanded in order to get back on its feet again could do the job, I am hoping that what he did may be done again. I believe it can be done again.

"At the present time this power to regulate and stabilize the value of money is not centralized. Some power is vested in the Federal Reserve Board, called the Board of Governors of the Federal Reserve System; some power is vested in the president; and some power is vested in the Secretary of the Treasury. Today there are three boards or three agencies which might assume to control and regulate the value of the dollar, but the Congress has never tried to do this directly. It is obvious, as I shall explain in a few moments, that Congress cannot do this, and I shall give the reasons why.

Congress Gave No Money Mandate

"During the last four years, the dollar has been cheapened and prices have been raised. Today the value of the dollar is still falling, and consequently, prices are still rising. Because of this 4-year trend, the following questions have arisen: **How cheap should the dollar be made, and how high should prices be raised? Who is able, competent, and qualified to answer such questions?**

"In all the land, there is but one tribunal legally qualified to make reply, and that tribunal is the Congress of the United States. The Constitution confers upon the Congress exclusive power to regulate the value of money. Save the power delegated and conferred upon the president by the act of 4 years ago, no person, board, or department has any mandate to presume to say how cheap the dollar shall be made, or how high prices should be raised.

"The Federal Reserve System, **a private banking organization,** has power to alter, change, and, to a degree, regulate the value of the dollar, **but has no legal mandate from the Congress to act in such capacity.** The president and the Department of the Treasury have power to alter, change, and, likewise, to a degree, regulate the value of our money."

Congress Has Slept on Its Constitutional Right 150 Years

"While full and complete power rests in the Congress to adjust and regulate the value of the dollar, no mandate other than the one mentioned has ever been given any person, board, commission, or department of the government. **Our government is now almost 150 years of age. The Congress has had full constitutional power to adjust and regulate the value of the dollar during all this time, but has failed to act.**

"The monetary system of any government is one of the most important problems with which any such government has to deal. The all-important item in all financial systems, at all times, is the value of the monetary unit.

"The value of the dollar controls prices, and prices control income and prosperity. When money is too plentiful, the dollar is too cheap, prices are too high, and we have inflation. When money is too scarce, the dollar is too high, prices are too low, and we have a depression.

"Too cheap money produces inflation and consequent booms, while too scarce money produces deflation and the inevitable depressions and panics.

Paper Dollar Calls for Silver

"The Constitution confers upon the Congress the power to regulate the value of the dollar; hence, the power to minimize, if not prevent, both inflation and deflation, and the resultant booms and depressions. **To this date, this constitutional power conferred upon the Congress has never been formally or legally vitalized.**

"During most of the life of our nation, the dollar has been either a fixed quantity of gold or silver of a certain monetary system, or paper currency based upon and presumably redeemable in such monetary metals.

"Today the dollar is neither based upon nor redeemable in either gold or silver. Gold is out of circulation; hence, no form of currency is redeemable in such metal.

"Formerly silver certificates were redeemable in silver dollars, but now such certificates are redeemable not in silver dollars, but in so many dollars' worth of silver. Literally, this means that the **amount of silver needed for the redemption of silver certificates varies from day to day as the value of silver bullion varies in the markets of our country.**

"A few years ago, our silver certificates bore on one side, in substance, the words 'Redeemable in One Silver Dollar.' Those certificates have been withdrawn from circulation, and the present certificates contain the legend: 'So many dollars, redeemable in silver.' If you should take a $1.00 silver certificate to the United States Treasury and ask for its redemption, they probably would give you a silver dollar; but that would not conform to the contract. The contract on the silver certificate would require the Treasury to weigh out to you $1.00 worth of silver. Since the value of silver bullion changes daily, the amount of silver you would receive for your dollar is subject to daily change.

"Today we are on neither a gold nor a silver standard."

Senator Thomas Points Out Effects of Money Program

Explaining the provisions of his Monetary Authority bill, Senator Thomas says:

"The bill which I have introduced suggests a formula for determining the point of value for a dollar, suggests a means by which the dollar shall be adjusted, regulated, and stabilized, and also provides a governmental agency to carry out the policies to be adopted by the Congress.

"The bill proposes that the Board of Governors of the Federal Reserve System shall be converted into an agency of the government, designated as a 'Monetary Authority,' for the expressed purpose of supervising the operations of the law.

"The end sought to be attained is in the public interest. The plan suggested to bring about the desired results is possible, practical, and constitutional. If the bill becomes a law, the value of the dollar will be adjusted, regulated, and thereafter stabilized.

"The practical effect of the program will be substantially as follows:

"First, the value of the dollar will be agreed upon and thereafter adjusted to such value.

"Second, the adjusted value will be stabilized, thereby tending to stabilize the price level of commodities and services.

"Third, under the plan suggested, the threats of inflation, likewise deflation, will be eliminated.

"Fourth, this program is absolutely necessary and, when adopted, will give the country a breathing spell, insofar as monetary legislation is concerned."

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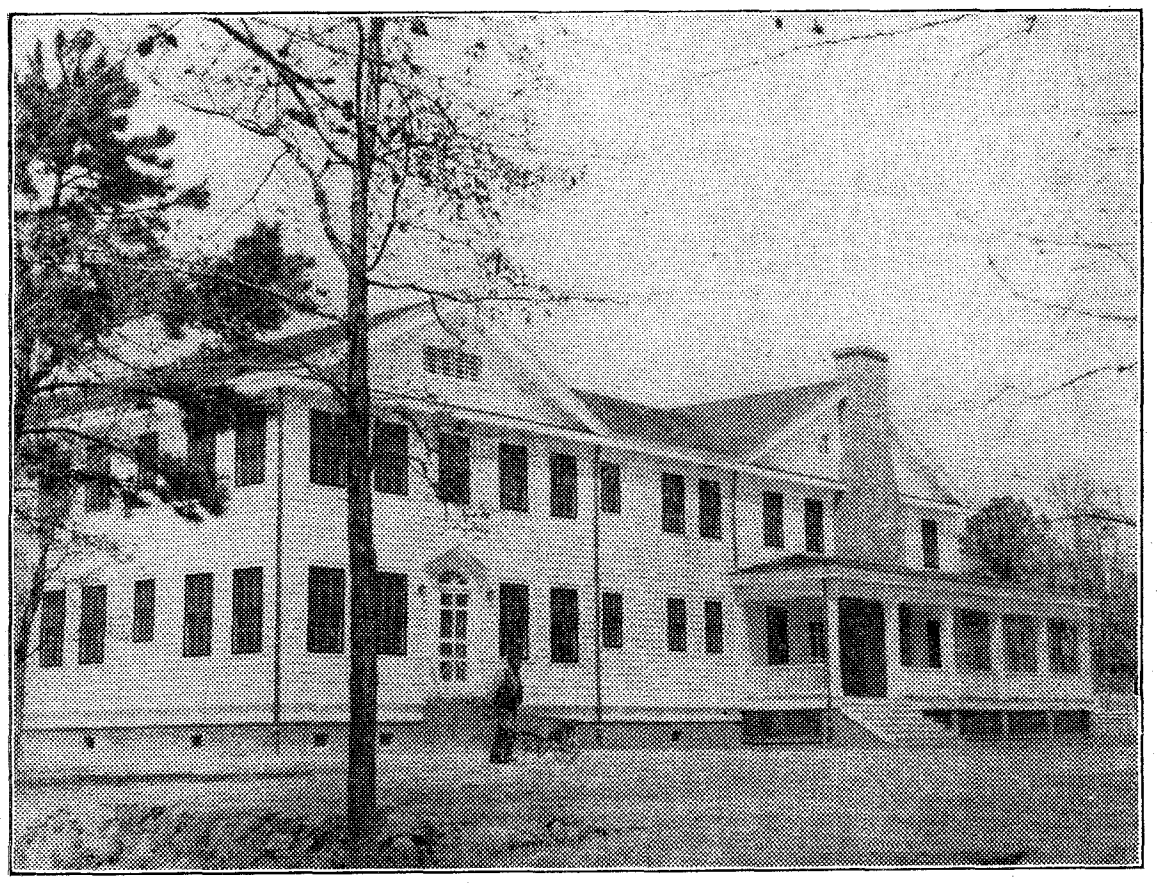
Ford Seeks an 'American Way'



Henry Ford is "notoriously old-fashioned." His love for the "American way" of life created the Village Shrine of History at Dearborn, Michigan.

The veteran auto manufacturer tells folks with whom he chats that labor unions of the Lewis and Green type "rob workingmen of their independence and do not in the end improve their condition." Maybe that's old-fashioned; but the "box score" on the auto strikes do not show that Lewis' kind of union has gained the dues-payers" very much improvement for their money.

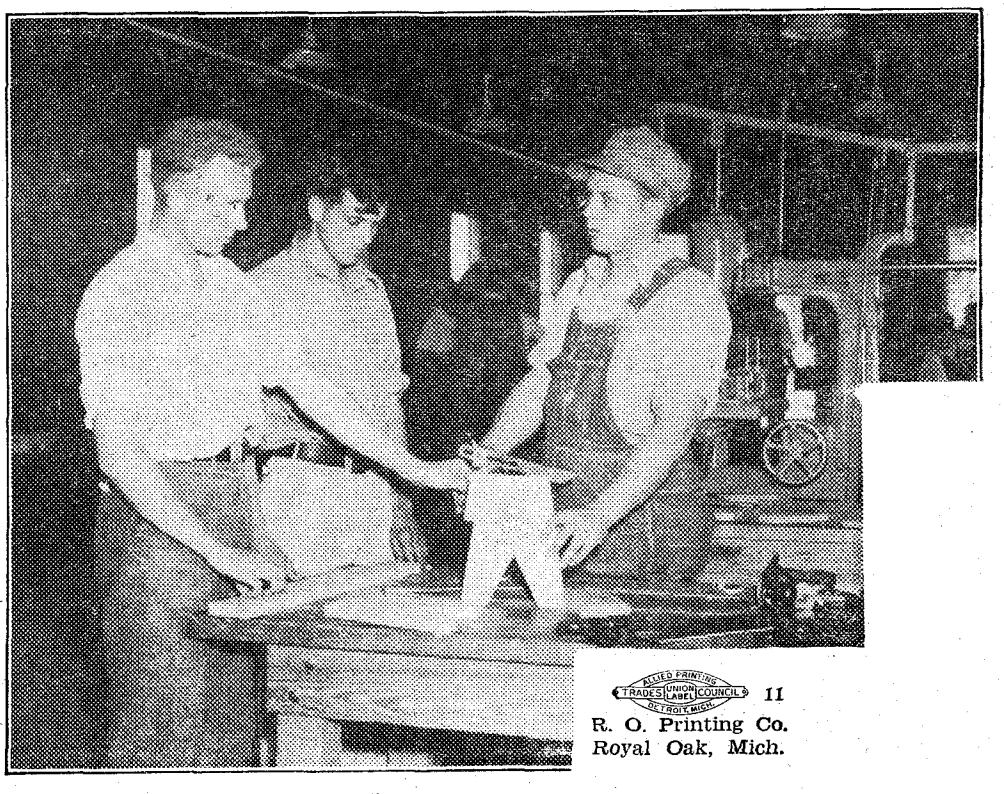
Ford always has sought an "American way." He is forever putting these ideas into successful effect. His revolutionary idea of a car cheap enough for the common man, and his unprecedented $5 day, are history now.

At Ways, Georgia, Mr. Ford is trying out another idea—combining industrial production with community living for the workers. Workers in Ford's auto parts factory there will have ample ground on which to grow their food supply and leisure time in which to work on their little truck farms.

The Ways school will train boys in the manual arts and equip them for jobs in the shop when they graduate. The girls will be trained home-makers.

Ford already has erected a community hall and encouraged the old-time recreations that our village forefathers knew—before they moved into smoky cities and became too busy to enjoy life.

The accompanying pictures of the Ways, Ga., community are by Acme.



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